



OEC [Action Fund]

**Senate Energy and Public Utilities Committee
PROPONENT TESTIMONY
Senate Bill 346 (O'Brien, Kunze)
November 10th, 2020**

Chair Wilson, Vice Chair McColley, Ranking Member Williams, and members of the Senate Energy and Public Utilities Committee; I am Miranda Leppla, Vice President of Energy Policy for the Ohio Environmental Council Action Fund. Thank you for allowing me to submit proponent testimony on Senate Bill 346, which would repeal House Bill 6 of the 133rd General Assembly in full.

Our organization works to secure healthy air, land and water for all who call Ohio home. The OEC Action Fund strongly supports Senate Bill 346, because it would repeal House Bill 6 in its totality. Not only is House Bill 6 the product of a corrupt legislative process, it is quite simply bad policy that will hurt Ohioans. OEC Action Fund urges this legislature to support Senate Bill 346, implementing a full repeal of House Bill 6, for two reasons:

- First, it is imperative that this legislature repeal House Bill 6 in order to restore Ohioans' faith in the legislative process. This body must send a resounding signal to your constituents that bribery and corruption have no place within these walls by repealing House Bill 6 in full. Anything short of full repeal, at worst, condones how this legislation was enacted, and at best, turns a blind eye to the fact that it was secured through illegal funds and bribery.¹
- Second, the OEC Action Fund urges this legislature to support Senate Bill 346 because, as our organization argued prior to passage, House Bill 6 increases Ohio's carbon emissions, puts Ohioans' health at risk, and threatens over 114,000 Ohioans' careers in the clean energy sector. House Bill 6 has set Ohio on a backwards trajectory instead of moving our state toward a better future that embraces innovation and supports a clean energy economy that works for our environment, our health, and our pocketbooks.

As of today, it has been 113 days since U.S. Attorney Dave DeVillers announced indictments for a federal racketeering conspiracy against then-Speaker Larry Householder and three other

¹See Criminal Complaint (July 21, 2020) and guilty pleas of Juan Cespedes and Jeff Longstreth, S.D. Ohio, Case No. 1:20-mj-00526.

Ohio lobbyists and an Ohio political operative, alleging corrupt pay-to-play dealings by former Speaker Householder and company. Late last month, two of those five, Juan Cespedes and Jeff Longstreth, pleaded guilty to the charges, confirming what U.S. Attorney DeVillers described as, “likely the largest bribery, money laundering scheme ever perpetrated against the people of the state of Ohio”.² FirstEnergy, generally accepted as Company A in the federal complaint filed in the racketeering scandal and alleged to have funded the conspiracy, has now fired its long-time CEO Chuck Jones along with two senior Vice Presidents, after its Board’s Independent Review Committee determined the executives “violated certain FirstEnergy policies and its code of conduct.”³ There are multiple investigations pending at the Public Utilities Commission of Ohio⁴ looking at FirstEnergy’s use of customer funds and its corporate separation policies, as well as an investigation at the Securities and Exchange Commission,⁵ and an ongoing audit by the Federal Energy Regulatory Commission.⁶ Ohio Attorney General Dave Yost is working to find a way to block the funds that will be collected from Ohioans from going to FirstEnergy⁷, while local governments are seeking ways to block their citizens from having to pay those funds.⁸ Multiple shareholder lawsuits have been filed over “material false and misleading statements” by FirstEnergy, while FirstEnergy also fights to prevent sensitive corporate data from being publicly disseminated by a whistleblower who was a former contractor for the company. Further, a coalition of environmental groups, including our sister organization, continues to pursue suspension of FirstEnergy Solutions’ (now Energy Harbor) reorganization plan approved earlier this year by the federal bankruptcy court. And yet, House Bill 6 remains on the books.

Even before these concerning revelations, House Bill 6 was a bad deal for Ohioans, sticking us with dirtier air and higher utility bills while gutting our clean energy future. It’s a bill that was passed on the backs of Ohioans—costing consumers more money, cutting Ohioans’ clean energy careers, and polluting our environment by killing our energy efficiency and renewable energy standards.

House Bill 6 is already weighing heavy on Ohioans’ health and pocketbooks, and that’s why OEC Action Fund urges you to support Senate Bill 346, taking decisive action to repeal House Bill 6 now.

Because of House Bill 6, charges to subsidize coal plants have already been extended through 2030, keeping dirty energy online in Ohio and also paying to keep it online in Indiana, where some of our money is going to bail out one of the coal plants.

Because of House Bill 6, Ohio’s energy efficiency programs are shutting down--as of the first of October, Ohioans lost the ability to take advantage of incentives and rebates that helped

² <https://www.cleveland.com/open/2020/07/read-the-complaint-against-ohio-house-speaker-larry-householder-aide-lobbyists-charged-with-racketeering-conspiracy.html>

³ https://www.firstenergycorp.com/newsroom/news_articles/firstenergy-announces-leadership-transition.html

⁴ Pub. Util. Comm. of Ohio, Case Nos. [20-1502-EL-UNC](#); [17-0974-EL-UNC](#), et al.

⁵ <https://www.cleveland.com/business/2020/09/us-securities-and-exchange-commission-launches-investigation-into-firstenergy-corp.html>

⁶ <https://www.daytondailynews.com/news/fight-over-energy-bailout-law-delayed/N22TP5LW75BFBILCQ7QM2GLRWU/>

⁷ [https://www.ohioattorneygeneral.gov/Media/News-Releases/September-2020-\(1\)/Ohio-Attorney-General-Dave-Yost-Files-Lawsuit-to-B](https://www.ohioattorneygeneral.gov/Media/News-Releases/September-2020-(1)/Ohio-Attorney-General-Dave-Yost-Files-Lawsuit-to-B)

⁸ <https://radio.wosu.org/post/columbus-and-cincinnati-sue-stop-consumer-fees-nuclear-bailout#stream/0>

us save money on our electric bills by reducing our energy consumption. These programs were good for consumers' wallets and health, for the economy, and they were good for the environment. These programs helped Ohioans save \$7.01 per month (see below), and with the passage of House Bill 6, over 85,000 Ohio careers in the efficiency industry are at risk.

The Real Cost of Keeping House Bill 6: \$7.01 per month per Ohio Family

<div style="background-color: #4F812E; color: white; padding: 5px; text-align: center; font-weight: bold;"> BEFORE HB 6: Average Residential Monthly Electricity Bill Impact of Renewable Portfolio Standards (RPS), Energy Efficiency & Peak Demand </div> <p>Electric bill without surcharges . . \$100</p> <p>RPS Charge +\$0.36¹</p> <p>Energy Efficiency/ Peak Demand Charge +\$3.36²</p> <hr style="border: 0.5px solid black;"/> <p>Total \$103.72</p> <p>Energy Efficiency SAVINGS . . . -\$7.71³</p> <div style="border: 2px solid green; border-radius: 50%; padding: 5px; display: inline-block; margin-top: 10px;"> <p>Total bill \$96.01/month</p> </div>	<div style="background-color: #4F812E; color: white; padding: 5px; text-align: center; font-weight: bold;"> Current HB 6 Law: Average Residential Monthly Electricity Bill Impact </div> <p>Electric bill without surcharges . . \$100</p> <p>Ohio HB 6 Energy Payments +\$2.35⁴ (Coal, Nuclear, Solar, Reduced RPS⁵)</p> <p>Utility decoupling "bonus" payment +\$0.67⁶</p> <p>Energy Efficiency SAVINGS . . \$0.00</p> <hr style="border: 0.5px solid red;"/> <p>Total bill \$103.02/month</p>
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¹Based on 2019 REC pricing data from Argus Air Daily.
²LSC, H.B. 6 Fiscal Note & Local Impact Statement - As Introduced, p. 5 Tbl 2, <https://www.legislature.ohio.gov/download?key=18666&format=pdf>.
³Average based on residential program benefits as reported by each Ohio utility in 2017 filings with the Public Utilities Commission of Ohio. See Case No. 18-0835-EL-EEC (AEP Ohio), Case No. 18-0742-EL-POR (Dayton Power & Light), Case No. 18-396-EL-EEC (Duke Energy Ohio), Case Nos. 18-0841-EL-EEC et al. (FirstEnergy distribution utilities).
⁴See Ohio Legislative Service Commission ("LSC"), H.B. 6 Fiscal Note & Local Impact Statement - As Enacted, p. 3 Tbl 1 (monthly residential charge for nuclear and renewable generation funds up to \$0.85), p. 11 (monthly residential OVEC coal charge up to \$1.50), available at <https://www.legislature.ohio.gov/download?key=122898&format=pdf>.
⁵HB 6 reduced the RPS from 12.5% to 8.5%, removed significant load from the calculation, and repealed the solar carveout entirely. As such, we conservatively ascribe no cost of compliance under HB 6. Any legacy RPS costs would increase its cost to consumers beyond the \$7.01.
⁶Based on average of Conservation Support Rider RS tariff charges for FirstEnergy utilities Toledo Edison, Ohio Edison, and Cleveland Electric Illuminating Company, available at https://www.firstenergycorp.com/customer_choice/ohio/_ohio_tariffs.html, with residential usage of 750 kwh/month.

Because of House Bill 6, the incredible demand we're seeing for renewable energy around the state could be stifled. Ohioans overwhelmingly want clean energy⁹, and House Bill 6 skews the

⁹ <https://www.cleveland.com/business/2019/02/conservative-ohio-voters-want-most-of-ohios-electricity-to-come-from-renewable-sources.html>

playing field, providing a bailout for dirty, aging and expensive forms of energy at the expense of cheaper, cleaner options.

Because of House Bill 6, Ohioans' money is going to FirstEnergy and Energy Harbor to bailout two nuclear plants *without any proof that the bailout is needed*. Without a full repeal, the Ohio General Assembly will be sending a message to Ohioans that their bills should be increased to simply line FirstEnergy shareholders' pockets. House Bill 6 did not establish a transparent and accountable process for the company that will receive the majority of the "Clean Air Fund," and it's not even clear if the nuclear plants need financial support to stay open and operational. At minimum, a full review of the financial situation of these nuclear plants is needed, along with stronger audit and sunset provisions for this bailout, and we must design forward-thinking solutions that ensure the community will be made whole and be protected when these plants ultimately and inevitably close.

The good news is that you can still take action to halt the impacts of this bad bill and reverse course to ensure Ohioans' future--our health, our economy, and our environment--are bright and sustainable. We can invest in a clean energy future that drives job creation and improves our air quality.

Ohioans were overwhelmingly opposed to HB 6¹⁰ and yet it passed through the legislature and was signed by the Governor in just 47 days--without full consideration for our environment, our economy, or our communities. But the story doesn't have to end there.

The OEC Action Fund urges you to support Senate Bill 346, which would repeal House Bill 6 in full. We call on our legislature to have an honest discussion--a critical discussion--about what Ohioans want and need for our energy future. Restore Ohioans' faith in the statehouse, ensure your choices are putting us on a track to be a leader in the 21st century energy economy, by supporting Senate Bill 346 and repealing House Bill 6. The OEC Action Fund looks forward to discussing the policies that will enable Ohioans to thrive in a sustainable, clean energy future. Thank you again for the opportunity to testify.

¹⁰ In 2020 alone, 2,150 concerned OEC Action Fund supporters have submitted letters to their lawmakers calling for repeal of HB 6 and reached out in support of a full and immediate repeal of the legislation.