

Nuclear Subsidy Sponsor Testimony: SB 44
State Senators Jerry C. Cirino & Michael Rulli
Senate Energy and Public Utilities Committee

February 9, 2021

Chairman Peterson, Vice Chair Schuring, Ranking Member Williams and members of the Senate Energy and Public Utilities Committee. Thank you for the opportunity for Senator Rulli and I to provide sponsor testimony on behalf of Senate Bill 44. I had the opportunity to appear before this Committee in the 133rd General Assembly on behalf of my community in Lake County, home of the Perry Nuclear Power Plant, in an effort to protect the generation of carbon-free electric power and the economy of my local communities.

Senate Bill 44 would serve to eliminate the nuclear resource subsidy provisions of HB 6 while continuing while continuing the solar resource credit payment provisions. The nuclear resource subsidy provision in HB6 has been the subject of a great deal of discussion in the Legislature since its passage in July of 2019. At that time, the operator of the nuclear plants in Ohio, Energy Solutions, was in bankruptcy proceedings and attempting to reorganize. Efforts to obtain assistance from the U.S. Department of Energy, the White House, the Federal Energy Regulatory Commission and PJM to support the continued operation of the two plants failed to produce results. I know this because Ottawa Commissioner Mark Stahl and I were very involved in these initiatives. Having failed at the federal level we then turned to the state for support. HB 6 was the result of these efforts and was, I believe, predicated upon the view that supporting clean energy generation was sound energy policy and that, because of the lack of federal support and the financial status of the operator, the state needed to step in to protect its interests.

It is now clear that the circumstances have changed and that is why Senator Rulli and I have sponsored Senate Bill 44. Energy Harbor, the operator of the two subject plants, has now emerged from bankruptcy. While not familiar with the details of their current financial position, it would be a reasonable assumption to believe that their financial condition is improved as a result of the bankruptcy proceedings. There are also indications that the energy policies which appear to be brewing in Washington will present a friendlier environment supporting the continued utilization of these nuclear assets. This federal support may take many forms ranging from clean energy credits, direct subsidies or improved positioning in the power auction process directed by PJM. These are speculative at this point. However, the directional nature of these support options appear to be very reasonable at this point.

Two of the goals of HB6 were to protect the continued generation of clean energy AND to protect the two respective communities (and the state of Ohio) from an economic calamity in

terms of jobs and taxes. We are now confident that these goals will be protected going forward with the added benefit of a reduction in rates for homeowners and businesses around the state.

Senator Rulli and I believe that Senate Bill 44 is sound policy and that it solves a problem that voters sent us here to solve. We urge this Committee's support for this Senate Bill 44 and will be happy to answer any questions at this time. Thank you