

**TESTIMONY OF MADELINE FLEISHER
ENVIRONMENTAL LAW & POLICY CENTER
OHIO HOUSE PUBLIC UTILITIES COMMITTEE
OCTOBER 3, 2017**

Good afternoon Chairman Cupp, ranking member Ashford, and members of the committee. Thank you for the opportunity to be here. I am testifying today on behalf of the Environmental Law & Policy Center (ELPC). While ELPC is an environmental organization, it has a strong consumer background and supports balanced energy policies that benefit both consumers and the environment. ELPC has been a frequent intervenor before the PUCO in cases involved OVEC and a broad range of other energy issues, as well as an active participant in the legislative process. We appreciate the willingness of the House and Senate committees to listen to our views on these subjects, even when we disagree.

OVEC presents a situation where environmental and consumer interests are aligned. I'm here because these plants produce pollution that contributes to asthma and lung disease, contaminates water, and hurts people and the environment in myriad other ways. But let's make no mistake about another problem with House Bill 239: paying for these dirty plants raises rates for Bob and Betty Buckeye. OVEC's owners have spent more than \$2 billion on these plants in recent years, and that spending has made these plants financially unsustainable. They took a risk that the plants could compete in PJM and the risk has not paid off because natural gas plants provide lower cost power. This type of failure takes place in competitive markets every day.

Subsidizing these "losers" undermines a wholesale market that has been delivering low prices and reliable power to Ohioans for years. The recent amendments to this bill are just moving the chairs around on the deck of the Titanic. They may lessen the harm to customers (if not the environment), but they can't fix the basic problem that Ohioans are being asked to pay more without getting more. Higher rates means less disposable income for consumers, and less spending on Ohio goods and services.

The legislature should recognize that the PUCO has been dealing with the OVEC issue for years and can continue to do so to the extent the distribution utilities still have a stake in the OVEC plants. The PUCO periodically reviews and audits AEP's and Dayton Power & Light's recovery of their remaining OVEC costs, and ensures that customers are protected while recognizing the obstacles to divesting the OVEC interest. Why are the OVEC owners coming to you to sidestep that process? Most likely so that they can recover more money to help their corporate bottom line. For example, this law may eliminate a safeguard that the PUCO created in allowing AEP to recover its OVEC costs through a PPA rider last year, when it held that AEP could not make customers pay for costs stemming from market penalties for nonperformance by the OVEC plants. Even with the best of intentions, this legislation may well limit the PUCO's ability to continue exercising its role in protecting customers against such unwarranted costs. It would also prevent the PUCO from using its leverage to require Ohio utilities to explore and regularly report on the possibility of divesting their OVEC interests, which the PUCO has done as a condition of granting any cost recovery.

This bill isn't about a national security interest or the public interest; it's about corporate self-interest. For that reason, I urge you not to vote for House Bill 239.

Thank you for your consideration of my testimony.