

THE HONORABLE JUDD GREGG, NUCLEAR MATTERS AND FORMER U.S. SENATOR AND GOVERNOR
TESTIMONY FOR THE RECORD
OHIO STATE SENATE
PUBLIC UTILITIES COMMITTEE
JUNE 8, 2017

Good morning. I would like to thank Chairman Beagle and the members of the committee for holding this hearing and providing an opportunity for me to speak about the important role nuclear plays in the state of Ohio.

My name is Judd Gregg. I am the former Governor of and a former Senator from New Hampshire. I currently am a member of the Advocacy Council of Nuclear Matters. Nuclear Matters is a national coalition of nearly 190,000 members across the country that works to inform and educate the public and stakeholders about the clear benefits of nuclear energy. Here in Ohio, we have about 10,000 members. Together we support solutions that properly value nuclear energy as a reliable, affordable, safe and carbon-free electricity resource that is essential to America's energy future.

As you have heard from other speakers throughout your hearings, our nation's nuclear power plants are vital national assets that provide reliable, carbon-free electricity to tens of millions of households and businesses around the country.

Despite their value, a combination of factors – including low natural gas prices and market rules that fail to recognize this value – have caused otherwise exemplary performing nuclear plants to close around the country and put the future of Ohio's two nuclear facilities in jeopardy.

As a former Senator and Governor in New Hampshire, I keenly understand the critical role nuclear energy can play for a single state and an entire region. Nuclear power provides high paying jobs and long-term energy security with a 60-year life for nuclear power stations and low operating costs. Nuclear energy is affordable and predictable in cost because there is little fluctuation in production costs and the average fuel cost is more economical compared to other energy sources. And nuclear energy produces no emissions during operation – contributing to cleaner air, less pollution and a healthier population.

Unfortunately, I am also keenly aware of the dire impacts that occur with the untimely closure of a key nuclear facility. In 2014, the Vermont Yankee Nuclear Power Plant closed, and its adverse effects on the environment and community in New England were significant. Ohioans must understand the vital part nuclear energy plays in its power generation before it is too late.

The reality is that Vermont Yankee was an asset that benefited three states, contributing over \$60 million to the local economy each year through financial contributions, taxes paid, and employee involvement. The nuclear plant saved New England customers (in Vermont, New Hampshire and Massachusetts) about \$330 million in electricity rate savings versus purchasing the same power from the spot market since 2002. Vermont Yankee's shuttering resulted in hundreds of jobs lost, which was a blow to the local economy. Those jobs have not come back and those towns have been devastated. Sadly, small businesses are feeling that crunch the most, with reports as high as 20% in lost revenues. In addition, \$58 million in payroll per year is no longer paid to the over 500 people Vermont Yankee once employed.

Unfortunately, after the closure of Vermont Yankee carbon dioxide emissions rates also increased in New England. According to the 2015 ISO New England Electric Generator Air Emissions Report, the loss of Vermont Yankee increased the use of natural gas- and oil-fired generation, which drove an increase in carbon dioxide emissions in 2015 compared with 2014.

We know that when nuclear plants close, it is replaced by natural gas-fired power plants. In Ohio, where there is an abundance of natural gas, this may not seem like an issue, however, the elimination of nuclear makes the state even more dependent on natural gas. And there's a reason for the expression "Don't put all your eggs in one basket."

In New England, where utility rates are among the highest in the country, during some of our most frigid winters, the region experienced challenges in access to natural gas. Nuclear, unaffected by cold weather, was able to meet those challenges when Vermont Yankee was operating. Since that time, residents have seen huge spikes in their bills during these periods of extreme cold. A diverse energy mix helps consumers because it minimizes those volatile periods, helping ensure consistent and affordable electricity prices. This is not a zero-sum game. A robust nuclear industry in Ohio complements natural gas and renewables to the ultimate benefit of residents through competitive rates.

In Ohio, nuclear power accounts for 90 percent of the state's non-fossil fuel generated electricity. According to a report by The Brattle Group, every year Ohio's two nuclear power plants operate, they prevent 4,080 tons of nitrogen oxide and 3,400 tons of sulfur dioxide emissions – helping to reduce dangerous pollution. While renewables like wind and solar represent a growing – and vital – share of Ohio's electricity supply, these sources are still a small fraction of your total generation. States need the flexibility that comes from keeping nuclear facilities on line.

On the issue of jobs and economic contributions, the nuclear industry is a shining example for states. Nuclear facilities are designed to operate for 60-80 years and Davis-Besse and Perry each have significant life ahead of them, if they are able to remain open. They directly employ 1,300 Ohioans. These are long-term, well-paying jobs that won't move somewhere else. They generate more than half a billion dollars in economic activity in the state and provide about \$23 million in net state and local tax revenues every year.

While critics claim that this legislation would give the nuclear energy industry an unfair advantage – this simply is not true. Having a diverse mix of energy is important for any state to keep energy affordable and reliable. While supporting nuclear energy, the state will also continue to support its important natural gas industry. This is not an issue about one or the other – it is an issue about preserving your state's economy and energy resources, of which nuclear is a vital part.

During my time as a Senator and Governor, I recognized how critical it is to learn from lessons of the past. In this instance, it is important to learn from the lessons provided by Vermont Yankee. Earlier I mentioned specific financial hardships that the plant closing caused the community and surrounding area. However, it is important to note that the hardships extend well beyond the finances. When the nuclear facility closed, families lost their jobs and were forced to move. Programs for more at-risk community members that Vermont Yankee supported were lost. New England lost a backbone of its community, and because of that it will never be the same.

Ohio does not have to suffer a fate similar. As you consider Senate Bill 128, think about your state's, your community's future. While New England cannot turn back the clock, you can prevent something similar from happening here. I urge you to support Senate Bill 128.