

WRITTEN OPPONENT TESTIMONY ON SENATE BILL 128
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ENVIRONMENTAL LAW & POLICY CENTER
OHIO SENATE PUBLIC UTILITIES COMMITTEE
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Thank you Chairman Beagle, ranking member Williams, and members of the committee for the opportunity to provide written testimony on Senate Bill 128. I provide this testimony 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.

Senate Bill 128 presents a situation where environmental and consumer interests are aligned. Giving a helping hand to *existing* nuclear generation that's failing in the market undermines investment in *new* clean energy resources like wind and solar, and ignores associated problems like radioactive waste disposal. At the same time, subsidies for uneconomic plants raise rates for Bob and Betty Buckeye. FirstEnergy has made a business judgment to spend hundreds of millions, if not billions, of dollars on plants like Davis-Besse and Perry since Ohio deregulated its electric sector, 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. Further changes to this bill don't change that fact. They may lessen the harm to customers, 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.

Finally, you don't have to look far to realize the dangers of opening the door to financial support for individual plants or companies. This legislature is currently also considering a bill to bail out two OVEC coal plants, and over the last few years utilities have made several attempts to get ratepayer support for their affiliates' uneconomic coal and nuclear plants through the PUCO. In fact, FirstEnergy already received a backdoor bailout at the PUCO in the form of ratepayer money to defray its significant debt. Rejecting this bill is an opportunity to definitively shut the door to this type of corporate welfare.

For all of these reasons, I urge you to vote against Senate Bill 128. Thank you for your consideration of my testimony.