

Testimony of Mark Stahl
Ottawa County Commissioner

Before the Ohio Senate Public Utilities Committee
Hearing on Ohio Senate Bill 128

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Chairman Beagle, Vice Chairman LaRose, and members of the Ohio Senate Public Utilities Committee, I'm Mark Stahl an Ottawa County Commissioner. Thank you for the opportunity to express my support for the citizens and businesses of our county, our region and our nation that depend upon a resilient and reliable energy portfolio that is both affordable and secure and produced by a diverse energy mix.

As a County Commissioner, I proudly serve the citizens who call Ottawa County home. Through the Commissioner's annual budget process, it's our goal to appropriate county tax funds in ways that foster opportunity, quality of life, and economic growth for each and every one of those residents. Ottawa County is a wonderful place to live, raise a family and operate a business, and it's my responsibility to ensure it remains that way for a long time to come. It is why I decided to become a commissioner and it is why the debate about the future of Ohio's nuclear power plants including the Davis Besse plant in my county is so important to me.

The economic benefits of the Davis Besse plant cannot be understated. Such baseload plants promote a strong economy. This facility is supported by dedicated and brilliant men and women that provide an economic engine to our region. This community partner provides thousands of jobs at the generating facility and throughout their supply chains as well as shops, restaurants, entertainment venues and other businesses that comprise the communities around the plant. Local schools, police and fire departments and vital community services rely

heavily on tax revenues paid by this plant. I cannot over emphasize what the Davis Besse plants means to our county. The same can be said about the devastation that will result if it closes. We are already grappling to address the significant reduction in tax revenue resulting from the recent devaluation of the plant. Closure would mean we have an even bigger gap to fill.

I believe in the free market, particularly its pure ability to send investment signals based on what makes the most economic sense for customers and communities. But, I'm also aware how subsidies and privileged treatment can distort markets. Throughout this process, I've met with representatives of First Energy on a number of occasions and my colleagues and I asked the tough questions so we could truly understand what is going on, why nuclear plants are struggling, and what is in the best interest of our region.

What we have learned through this process is that in the electricity business, free market principles don't necessarily apply. It looks like a market and sounds like a market, but the truth is that Ohio operates under a set of rules where regulators and quasi-government agencies pick the winners and losers in the wholesale electric marketplace. Generators in states like West Virginia, North Carolina and Virginia participate in the PJM market and receive full cost recovery for their generation, yet Ohio's nuclear plants must compete in the same market.

In addition, clean energy sources, such as wind and solar are heavily subsidized. Our Ohio utilities are mandated by state law to buy wind and solar credits in significant quantities to serve customers, further distorting the market. Nuclear power, however, is afforded no such luxury – despite the fact that Ohio's two nuclear plants supply about 90 percent of the state's clean energy. They receive zero support from the state's clean energy mandates.

PJM is short of a free market, and Ohio should not let short term market signals shut down some of Ohio's most important long term strategic assets.

With the current set of rules Ohio's power producers must follow, it poses risks to our electric grid. These rules dictate that energy supply decisions be based on the lowest short-term cost, ignoring the long-term considerations that were once analyzed by state utility commissions. They do not consider the value that nuclear plants deliver to our electric system – a carbon free resource that can reliably operate around the clock, with enough fuel on site to operate constantly for up to a year regardless of the weather.

We must acknowledge that the current rules will push us into a scenario where nearly all of our energy will come from a single fuel source – natural gas – along with some subsidized renewables. Abandoning the industry best practice of “fuel diversity” equates to putting all of our eggs in one basket and puts us at risk of unpredictable energy prices and electric supply disruptions on the hottest and coldest days of the year when we can least afford it.

We are encouraged by the discussions underway at the Ohio Senate Public Utilities Committee and urge the committee to move forward to implement a plan that keeps critical baseload assets in operations with additional studies to determine whether nuclear power plants are being rewarded correctly for the right things.

Thank you for the opportunity to speak with you today on behalf of Ottawa County.