Senate Energy and Public Utilities Committee

Chairman Steve Wilson

Opponent Testimony on Substitute House Bill 6

Testimony of Patrick J. O’Connor

Position, Company/Organization

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Chair Wilson, Vice Chair McColley, Ranking Member Williams, and Members of the Senate Energy and Public Utilities Committee, my name is XX, position, company, thank you for the opportunity to speak to you today as an opponent to Substitute House Bill 6.

Part I (for verbal testimony)

Recognizing the daunting task that this bill entails, Chair Wilson last week asked the bill’s House sponsors (Rep. Jamie Callender, R-Concord, & Rep. Shane Wilkin, R-Hillsboro) to prioritize it. Is it a bail out of First Energy Solutions; is it a jobs bill; is it a clean energy bill; or is it meant to cut electricity rates for consumers. Rep. Callender declined to give a direct answer. Instead, he replied: “It’s a holistic approach.” What did he mean by holistic? That the bill is shot full of holes? He certainly didn’t mean that it is an all-inclusive, well-rounded piece of legislation because it’s not. Gutting the state’s renewable energy and energy-efficiency standards and placing wind energy development in jeopardy does not make for an inclusive “Clean Energy” program.

Then there’s the question of need. Are subsidies to First Energy Solutions justified? With the existence of two dueling white papers drawing opposite conclusions about their profitability, I think like Vice Chair McColley that an independent audit should be conducted. Since when does a lender make a loan without first verifying the borrowers books. Oh no, we can’t do that because it would take to long and the Wall Street investors can’t wait. In the meantime, First Energy Solutions is financing an ad campaign based on scare tactics.

Recently, Crain’s Cleveland Business published an article entitled “Being environmentally friendly has potential perks for colleges and universities” (May 26, 2019). It detailed the efforts at CWRU, Baldwin Wallace University, the University of Mount Union, and Youngstown State University to use sustainability initiatives as a way to differentiate their institutions in a competitive marketplace. But, what will the students graduating from these schools think about Ohio as place to start their careers. This is important; this is economic development, next generation growth. Ohio needs to balance its energy portfolio. Otherwise, we are at best, sustaining population in Ohio and not growing because we cannot get the 18 to 35 year olds to stay here or move here. That group wants to see that Ohio is innovative.

I appreciate your time and consideration today, I would be pleased to answer any questions you may have.

Part II

Sub. H.B. 6 is a taxpayer-funded bailout of Wall Street investors at the expense of Ohio’s main street businesses and families. FirstEnergy made bad business decisions and now small businesses and consumers are being asked to bail them out of their financial mess. It’s unfair, and it’s bad business.

The bailout will not directly benefit the communities where the plants are located – the money will go to Wall Street investors. It lacks protections for workers and local communities: in exchange for the funds, the bailed-out companies have promised nothing: no commitments not to lay off workers, to buy from Ohio contractors, or to fully fund cleanup of their facilities so communities can redevelop.

Ohio’s consumers and small businesses will pay millions to bailout two failing nuclear plants and two failing coal plants, one of which is in Indiana, even though power from these facilities is expensive to generate, operate and maintain. Meanwhile, renewable energy is increasingly affordable and reliable:

* Wind and solar are now the cheapest sources of power generation. Thanks to falling costs, unsubsidized onshore wind and solar have become the cheapest sources of electricity generation in nearly all major economies in the world. (Bloomberg NEF 11/19/18).
* Nuclear costs $0.93/kwh; wind costs $0.059/kwh; Solar costs $0.063/kwh (<http://www.renewable-energysources.com/>). State government isn’t a very good bargain shopper.

Low- and moderate-income residents in your district will be hurt by these increased costs, and monthly energy bills are a bigger part of their family budget than affluent families.

HB6 harms the health of children and seniors in your district and across the state, also putting at risk sufferers of asthma and heart conditions. Ohio ranks 46th in the nation in asthma rates for children ages 0-17, and asthma is the leading chronic disease and one of the top reasons for avoidable hospital admissions among Ohio’s children. (https://www.healthpolicyohio.org/wp-content/uploads/2019/01/ChildAssessment\_FullReport.pdf)

HB6 kills tens of thousands of more jobs than it claims to “save.” It jeopardizes 108,000 jobs in energy efficiency, wind, and solar, while temporarily “saving”—as long as taxpayer subsidies last—fewer than 10,000 jobs. The cost of of subsidizing the nuclear and coal facilities is very high, and worse, the funds to do so are diverted from energy efficiency and renewables standards, both of which are proven successes that save consumers money. This will slow down the economy and raising prices for everyone.

Clean energy jobs continue to grow. As the nation’s largest employers continue to commit to ever-increasing use of clean energy, these jobs will continue to grow, and Ohio will need to be poised to welcome companies into our state that need and want local renewable energy sources. 166 companies with names like Coca-Cola, Apple, P&G and Nestle and have signed the RE100 pledge to go 100% renewable (http://there100.org/companies)

None of this is in keeping with progressive values, equity, or social justice. HB6 is not progressive.

HB6 uses tax increases and government power to pick winners that free markets have declared losers: high-cost, outdated coal and nuclear facilities that can’t compete on the free market. HB6 is not conservative either.

HB6 rewards old outdated facilities that have underfunded their cleanup responsibilities for nuclear waste and coal byproducts and threaten to burden taxpayers and local communities with huge expenses and long-lasting toxins. HB6 is neither pro-community nor pro-common sense.

HB6 for the first time allows townships to vote to veto state siting decisions for wind energy, singling out this clean form of power for unfair treatment that will hold up development and kill jobs. This same local right to veto siting decisions should be extended to oil and gas pipelines, shale wells, transmission wires, and megafarms—or else stricken out entirely. HB6 is neither pro-home rule nor pro-development.

What is HB6? It is pro-lobbying cash, pro- campaign donations, and pro-getting ahead in the Columbus political rat race.  It is pro-gerrymandering and pro-super-PAC and pro-professional politicians mattering more than voters in the community.