



KEY VOTE ALERT

July 16, 2019

To: Members of the Ohio Senate

The OMA has deemed the vote of Substitute HB 6 to be an OMA Key Vote and will record this vote on the 133rd General Assembly How They Voted scorecard. The OMA urges you to vote “no” on Substitute HB 6, the nuclear power plant bailout.

The new substitute bill waters down the nuclear facility audit provision (now called a “retrospective review”) so much that it affords less than a fig leaf of protection for Ohio businesses and households. The OMA and others provided committee members with [suggested language](#) to provide openness and fairness, while also protecting confidentiality (routinely done in proceedings before the PUCO).

Absent such due process, there is no safeguard to protect Ohioans against subsidizing a profitable business. A profitability analysis (linked below) finds that the owners of Ohio’s two nuclear power plants will exit bankruptcy profitable, and that HB 6’s subsidy stream of \$150 million per year will possibly provide \$330 million per year in profits for the plants – or approximately \$2 billion over the six-year term of the “Clean Air Program.”

A broad coalition of organizations, businesses, consumer protection groups, and individuals oppose this bill because it would distort Ohio’s energy markets, impose new costs for Ohioans, deter investment in new electricity generation, subsidize uneconomic power facilities, and reverse the progress made by two decades of deregulation in the electric industry.

Specific concerns include:

- There would be multiple new costs, and new forms of costs, for manufacturers and other Ohio ratepayers – resulting in more than \$170 million in new energy expenses per year. There are many other cost drivers in the bill.
- The Senate substitute bill grants sweeping new regulatory authority to the PUCO to determine how to allocate unknown costs to the different rate classes via rate design. These are unknown costs that will stem from new government regulation.
- FirstEnergy distribution customers will see an entirely new charge to pay for OVEC, which operates two old coal power plants – including one in Indiana. While lower monthly caps have been provided to some ratepayers, all (including FirstEnergy customers) will be on the hook to pay the full amount of the costs associated with OVEC since the new statewide rider is still subject to final reconciliation (possibly with interest).

(Continued)

- Small and medium-sized businesses have no set monthly cost caps like other customer classes. As a result, small and medium-sized businesses could pay disproportionately to subsidize the nuclear power plants.
- Customer-financed bailouts / handouts to select power plants would distort power markets, which have been delivering cost-savings and innovation. This would make Ohio less competitive and less attractive to businesses.
- The bill does nothing to promote clean air. In fact, the bill will dismantle the mechanisms which have been reducing emissions.

The bill contains nothing to protect customers. Instead, it would protect investors who own the generation assets, providing them staggering profits.

The ratepayer-funded subsidies proposed by Substitute HB 6 would move Ohio in the wrong direction. **The OMA urges you to oppose Substitute HB 6!**

MORE INFORMATION

- [Analysis of July 15 Substitute Bill](#)
- [Nuclear Power Plant Profit Analysis under Substitute HB 6](#)
- [Testimony of Brad Belden, President of Belden Brick Co.](#)
- [Testimony of David Johnson, CEO of Summitville Tiles](#)
- [Testimony of Anthony Smith, Cooper Tire and Rubber](#)
- [FERC Rules on Subsidized Generation](#)

Thank you for considering these perspectives and voting “no” to protect Ohioans.

Sincerely,



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