



Chair Hoops and members of the House Select Committee on Energy Policy and Oversight,

The Ohio Independent Power Producers (OIPP) thank you for the opportunity to provide interested party testimony on H.B. 798.

OIPP members develop, construct, and operate new natural gas fired power plants, representing billions of dollars of new private investment in Ohio and thousands of megawatts of new, efficient, and reliable energy. These projects are entirely driven by private investment, not ratepayer guarantees, with project risk on the investors, not captive ratepayers. The OIPP member power plants are largely fueled by natural gas developed in Ohio, providing tax revenues, leasing revenues, and jobs to Ohio workers – helping build Ohio’s economy. OIPP members strongly support competitive markets for electricity generation in Ohio.

OIPP firmly opposed H.B. 6 at every step and testified in the House and Senate on multiple occasions, both in person and in written testimony. Simply put, H.B. 6 should have never become law in the first place. It was bad for competitive markets, bad policy for Ohio consumers, continues to be bad policy, and now we know the law is tainted by lies and deceit.

Without repeating countless hours of previous testimony, one question keeps resurfacing: do the nuclear power plants actually need financial support?

No proof that Ohio’s two nuclear power plants ever needed financial support was provided during initial consideration of H.B. 6. If the state of Ohio was abandoning free market principles and competitive markets, one would hope it was because of a dire and proven financial need.

Instead, after passage and emerging from bankruptcy, Energy Harbor engaged in an \$800 million stock buyback – demonstrating no lack of funding or resources for the company.

When the legislature began considering repealing H.B. 6, many hoped that Energy Harbor would finally demonstrate, in testimony, a need for financial support. Such hopes were ill-fated.

Instead the burden of proof again remains on the opponents of the bailout, instead of the company with its hand out.

OIPP prefers this body move forward with a straight repeal or modified repeal like H.B. 772, which supports future competitive electricity generation markets, as opposed to the delay proposed by H.B. 798, however passing H.B. 798 is better than doing nothing. Under this proposal, ratepayers receive a temporary reprieve from bailing out Ohio’s nuclear power plants. That’s good, but unfortunately the bailout remains in place. It also raises that pesky question again: do the nuclear power plants need financial support?

Legislators were originally led to believe that if H.B. 6 didn’t pass quickly, Ohio’s two nuclear power plants would close. Do the nuclear power plants still need the funds provided by H.B. 6 with the same urgency? They didn’t say.

If delay is the best path forward, then the next step is a full and complete independent review before charges begin in 2021. If the need is so dire and urgent, then it should be easy to prove.

Then again, if the fiscal situation is so grim, perhaps the best course of action is to let the free market work so Ohio can return to an electricity generation market based on free market investments and competitive outcomes, without government subsidized support. Let's not remain in a system that picks winners and losers, leaving consumers and competitive generators with the bill.

To be clear, there are aspects of H.B. 798 that are good for ratepayers, such as addressing the decoupling provisions. The OIPP is only asking for a level playing field. In this era of mandates and forced regulations, we just want government to leave us alone and let the free market work.