



**COUNCIL for
CITIZENS
AGAINST
GOVERNMENT
WASTE**

Thomas A. Schatz, President
1100 Connecticut Ave., N.W., Suite 650
Washington, D.C. 20036
ccagw.org

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Ohio Statehouse
1 Capitol Square
Columbus, Ohio 43215-4275

Dear Senator,

You will soon consider HB 6, the Ohio Clean Air Program, sponsored by Reps. Jamie Callender (R-Concord Township) and Shane Wilkin (R-Hillsboro). On behalf of the more than one million members and supporters of the Council for Citizens Against Government Waste, I urge you to oppose this legislation.

HB 6 would [provide](#) taxpayer-funded subsidies to bailout failing nuclear energy companies. This legislation would direct \$150 million annually to FirstEnergy Solutions (FES), previously owned by FirstEnergy Corp., to subsidize its two nuclear plants, Davis-Besse and Perry. Commissioned more than 30 years ago, these plants [have](#) higher production costs than any other plant in the PJM Interconnection market, except for Three Mile Island, and harness 29-33 percent less uranium energy than other modern nuclear plants. This inefficient production ratio, along with their outdated energy systems, explain why those plants should not be saved. The funding would last from 2020-2026, amounting to more than \$1 billion in taxpayer subsidies.

Beyond nuclear plants, HB 6 would set [aside](#) \$450 million in new funding for two coal plants operated by the Ohio Valley Electric Corporation (OVEC). With the introduction of new competition into the market, OVEC plants have been forced to operate at lower rates, while production costs have risen. In 2015 and 2016, OVEC production was [down](#) by two-thirds from 2010 and the company is estimated to lose more than \$5 billion over the remaining 22 years of its contract. Legislators should not support these costly coal plants, consistent with prior sessions of the General Assembly.

Government subsidies interfere with the free market. FirstEnergy is filing for bankruptcy because it failed to succeed against other energy providers. Instead of propping up these failing companies and creating new clean air programs, legislators should [eliminate](#) subsidies and burdensome regulations, encourage increased competition, and keep taxpayers far away from bailouts.

Again, I urge you to oppose this legislation.

Sincerely,

Thomas Schatz