

TITLE

A RESOLUTION FOR THE PURPOSE OF OPPOSING
OHIO HOUSE BILL 178 AND OHIO SENATE BILL
128'S FIRST ENERGY CORPORATION NUCLEAR
BAILOUT, AND DECLARING AN EMERGENCY.

RESOLUTION NO. 4617/17

WHEREAS, the City of Warren has established an opt-out electricity aggregation program for eligible electric consumers within the City of Warren, joined the Northeast Ohio Public energy Council ("NOPEC") and participates in NOPEC'S opt-out electricity governmental aggregation program; and

WHEREAS, governmental aggregation has been the "jewel" of Ohio electric deregulation, and has helped the residents of the City of Warren save money on their electric bills; and

WHEREAS, opt-out governmental electricity aggregation has been widely recognized, in Ohio and nationally, as being successful in bringing benefits to residential and small business customers; and

WHEREAS, at the end of 2016, the NOPEC communities of Northeast Ohio have saved collectively over \$275 Million on their constituents' residential and small business electric bills since 2001; and

WHEREAS, the Ohio Legislature is considering bills that would provide subsidies for FirstEnergy's nuclear power plants in Ohio, to be paid for by rate increases to customers of FirstEnergy's Ohio distribution utilities, and which the residents of the City of Warren would pay as customers; and

WHEREAS, Ohio House Bill 178 and Ohio Senate Bill 128 provide for subsidies to be paid for by ratepayers, including residents in this City which totals about \$300 Million per year for up to 16 years to subsidize FirstEnergy's uncompetitive, unregulated, nuclear plants; and

WHEREAS, Ohio House Bill 178 and Ohio Senate Bill 128 would cause residential customers to pay up to \$1,000 in subsidies to FirstEnergy for the nuclear plant bailout, and would also negatively impact Ohio's competitive energy market; and

WHEREAS, a 2016 study conducted by Ohio State University and Cleveland State University concluded that Ohio electric customers have saved about \$15 Billion over the past five years on the generation portion of their electric bills and are projected to save an additional \$15 billion on their electric bills over the next five years because of electric deregulation and the competitive markets for electric generation available in Ohio and on the regional electric grid; and

WHEREAS, in 2001, the Public Utilities commission of Ohio ("PUCO") granted FirstEnergy \$6.9 Billion in stranded costs to transition from regulation to deregulation for its electric generation plants, and all ratepayers paid such amounts from 2001 to 2010; and

WHEREAS, in 2016, the FirstEnergy utilities were awarded an additional \$204 Million per year for up to six years by the PUCO, to be paid by the utility's customers, in the form of a distribution modernization rider (with no requirement to spend money on facilities or equipment) for up to six years, which was designed to bolster FirstEnergy's credit rating; and

WHEREAS, many residents in the City of Warren simply cannot afford an additional increase in their electric bills, particularly to bail out uneconomic FirstEnergy nuclear plants, the risks of which were to be borne by FirstEnergy, not ratepayers, when they were deregulated and received billions of dollars in payments from customers; and

WHEREAS, the City of Warren opposes subsidizing FirstEnergy's uncompetitive nuclear plants and supports a continuation of Ohio's successful competitive energy market; NOW THEREFORE

BE IT RESOLVED by the Council of the City of Warren, State of Ohio:

Section 1: That the Administration and Council of the City of Warren strongly and vigorously opposes Ohio House Bill 178 and Ohio Senate Bill 128 and urges the Ohio Legislature not to pass these bills.

Section 2: That the Administration and Council of the City of Warren urges the Ohio legislature to reject proposed subsidies and policies that erode the competitive electricity market that has provided benefits to Ohioans.

Section 3: That this Resolution is declared to be an emergency measure necessary for the immediate preservation of the public peace, health, safety and welfare and for the further reason to end this devastating epidemic. WHEREFORE, this Resolution shall go into immediate effect.

Passed in Council this 24TH day of MAY, 2017.

SIGNED: _____

PRESIDENT OF COUNCIL

ATTEST: _____

CLERK

FILED WITH THE MAYOR: _____

DATE APPROVED: _____

William D. Fisher
MAYOR, CITY OF WARREN, OHIO