

YET ANOTHER PENNSYLVANIA NUCLEAR BAILOUT: WIDESPREAD OPPOSITION FROM PA CONSUMERS, BUSINESSES, AND ENVIRONMENTAL GROUPS

On March 11, 2019, State Rep. Tom Mehaffie introduced House Bill 11, the *Keep Powering Pennsylvania Act*, which amends the Alternative Energy Portfolio Standard. It would needlessly raise consumer electricity bills and stifle competition by essentially guaranteeing market share for certain out of state nuclear plant owners. These same nuclear plant owners aggressively favored competition when they were winning, but now want to “tap out” from competition when it no longer suits their interests. Claims that PA’s nuclear plants will close without state subsidies are not well grounded. *Just last week, PJM’s Independent Market Monitor issued a [public report finding that four of the five PA nuclear plants – over 90% of the state’s nuclear power – are not at risk of retirement.](#)*

- **AARP: Nuclear Bailout Legislation Would Saddle PA Consumers with Unfair and Unnecessary Surcharge, Increasing Utility Bills**
 - “Pennsylvania electric utility customers should not be forced to pay higher rates to benefit corporations already making millions in profits. Four out of five nuclear power generators in Pennsylvania are profitable according to their owners – and were projected to make a profit of more than \$600 million, according to PJM Interconnection's Independent Market Monitor.”
Statement of AARP Pennsylvania

- **Industrial Energy Consumers of Pennsylvania: Pennsylvania Nuclear Plants Already Received a Bailout**
 - “The current bailout initiative fails to acknowledge the massive financial support that was already provided to the Pennsylvania nuclear industry from 1999 through 2015. Nuclear plant owners were awarded large stranded cost recovery funds to eliminate expected investment losses when prices were expected to drop post-electric industry restructuring. Over \$8.6 billion of nuclear-related stranded cost was paid for those plants. That’s \$8.6 billion paid by residential, commercial and manufacturing customers in Pennsylvania so that these nuclear plants could operate in the competitive market. Part of the calculation in determining these stranded costs was a forecast of the plant’s future market electricity sales. However, for the first fifteen years the deregulated electricity market prices were significantly higher than what was included in the stranded costs forecast. Therefore, in addition to the billions of dollars in stranded cost payments, the nuclear generation owners also enjoyed billions of dollars in actual energy market revenues above what was expected.” [Industrial Energy Consumers of Pennsylvania Memo to PA Legislators](#)

➤ **PPL: Why Should Electric Customers Subsidize Nuclear Generation?**

- “This proposal, if adopted, will make Pennsylvania less competitive, impacting every electric customer in Pennsylvania and raising the average price of electricity in the state for years to come. We have estimated that our customers, alone, will pay \$130 million more each year to rescue a single energy source that already benefits from an existing robust market.” [Op-Ed of PPL Electric Utilities President Greg Dudkin](#)

➤ **Citizens Against Nuclear Bailouts: House Bill 11 Raises Costs on Pennsylvania’s Most Vulnerable to Further Enrich Already Profitable Companies**

- “The lead sponsor of this bill has confirmed a price tag of at least an additional \$500 million, year after year, INDEFINITELY, in higher electricity costs, hurting Pennsylvania’s most vulnerable citizens, including seniors and those on low or fixed incomes, as well as small businesses and manufacturers. The notion that if we do nothing nuclear power plants will simultaneously shut down and prices will be impacted is disingenuous at best — Exelon, FirstEnergy Solutions and Talen Energy are making too much money to justify shutting down. The PJM Interconnection Independent Market Monitor projects that Pennsylvania’s five nuclear power plants collectively netted more than \$640 million in profits in 2018, and Peach Bottom nuclear power plant recently applied to extend its license through 2054.” *Statement of Citizens Against Nuclear Bailouts*

➤ **PA Chamber: Nuclear Mandate Legislation Would Increase Costs, Stifle Innovation**

- “Pennsylvania’s competitive energy market has helped to lower energy costs, while at the same time reducing emissions throughout the Commonwealth. Rather than imposing additional mandates that will stifle innovation in the energy space, we are urging lawmakers to support thoughtful, durable and rational energy policy that focuses on a nationwide approach that relies on competitive markets and private sector innovation to help ensure the country’s energy security while at the same time reducing carbon and other pollutant emissions.” *Statement of PA Chamber*

➤ **Pennsylvania’s Environmental community: Nuclear Bailout Bill Not the Climate and Clean Energy Solution Pennsylvanians Deserve**

- “Pennsylvanians need and deserve a forward-thinking, long-term strategy to fight climate change and invest in a clean energy economy centered around renewable energy. This legislation does nothing to advance the deployment of renewable energy in Pennsylvania and further locks us into increasingly expensive nuclear power from old and outdated equipment... We urge Pennsylvania legislators to shift their focus from preserving the aging energy sources of the past and instead look ahead toward real climate solutions that will advance a clean energy future in our Commonwealth.” *Joint statement of Sierra Club, Natural Resources Defense Council, Clean Air Council, PennFuture, PennEnvironment, Keystone Progress, Clean Water Action, Physicians for Social Responsibility Philadelphia/Pennsylvania, Conservation Voters of Pennsylvania and the Philadelphia Solar Energy Association.*