

December 3, 2015

FOR IMMEDIATE RELEASE

Contact: Helen Sheehan 216.990.2999

**BROAD COALITION: PUBLIC UTILITIES COMMISSIONERS SHOULD
REJECT FIRSTENERGY BAILOUT**

Backroom Deal Wrong for Ohio, Says Consumer, Business and Environmental Groups

COLUMBUS – A diverse group of Ohio stakeholders representing electricity consumers, businesses and the environment tallied numerous problems they see in a proposed agreement between FirstEnergy and the PUCO staff which they call anti-market, anti-consumer and anti-business.

"This bad deal would hurt Ohioans on tight budgets, hitting those on Social Security especially hard since they are not getting a cost of living adjustment," said Trey Addison of AARP Ohio. "Forcing customers to buy overpriced electricity from uncompetitive plants to deliver windfall profits to FirstEnergy is a holiday offering that only the Grinch could support."

Tuesday morning, FirstEnergy filed an agreement it reached with PUCO staff which would guarantee profits for the next eight years for two of the utility's struggling, aging power plants. Analysis by the Office of the Ohio Consumers' Counsel estimates this may cost consumers as much as \$3.9 billion dollars over the life of the contracts. One company will benefit – FirstEnergy.

"This move directly undercuts federally regulated wholesale power markets, needlessly adds to the cost of electricity, and makes Ohio less competitive," said John E. Shelk, President of the Electric Power Supply Association. "This anti-market proposal discriminates against EPSA members that have invested in Ohio and assumed all of the risk."

Bruce Burcat, Executive Director, Mid-Atlantic Renewable Energy Coalition, called the proposal "worthless for clean, renewable energy." "At first glance, the proposal might appear to require FirstEnergy to obtain a small amount of wind or solar energy. But the fine print renders even this paltry promise hollow. The proposal does not allow for the financing of a single new wind or solar project. It is simply masquerading as a commitment to clean energy."

"Despite overwhelming evidence clearly showing that the power purchase agreements are not necessary and wildly expensive and do not improve fuel diversity or stabilize rates in Ohio, the PUCO staff is now agreeing to a scheme that is demonstrably harmful to Ohio consumers," said Glen Thomas, PJM Power Providers Group.

In 1999, Ohio passed a deregulation law that promised a competitive market that would deliver savings to customers. Robert Kelter, Senior Attorney with the Environmental Law & Policy Center, said the proposal undercuts that promise. "When FirstEnergy benefitted from deregulation they were for it, now that the market has changed FirstEnergy wants a huge bailout at the expense of customers."

Shannon Fisk, Managing Attorney with Earthjustice who engaged in settlement negotiations on behalf of the Sierra Club before abandoning the talks last week, said this proposal will chain Ohio customers to old power sources and high electricity bills. "This bailout would leave Ohio locked into outdated and costly coal and nuclear plants, when we should instead be working to transition to a cleaner and more competitive energy system. It's a backroom deal that is bad for customers and should be rejected."

"It's hard to believe that an investment-grade company set to receive \$2.3 billion in revenue over the next three planning years from the PJM capacity auction would receive a multi-billion dollar bailout on top of that," said Dean Ellis, Vice President Regulatory Affairs at Dynegy. "Whether you look at this through the lens of someone who runs a business, or someone who pays a family's monthly bills, or someone who wants to see a thriving energy sector in Ohio, it's a bad proposal. We all agree it should be rejected."

"When we talk about energy policy in Ohio it is not too often that you can get environmentalists, and large generators, and consumer groups all on the same page but this proposal is so appalling we're all here and we're all signing in the same key, this proposal must be scrapped," said Trish Demeter, Managing Director of Energy & Clean Air Programs, Ohio Environmental Council.

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