

CITIZENS AGAINST NUCLEAR BAILOUTS

Dear General Assembly,

On behalf of Citizens Against Nuclear Bailouts — a diverse coalition of Pennsylvania citizens groups, power generators and energy, business and manufacturing associations whose members include AARP, Americans for Prosperity PA, Associated Petroleum Industries of PA, Calpine, Dynegy Inc., Industrial Energy Consumers of Pennsylvania, Invenergy, LS Power, Marcellus Shale Coalition, Moxie Energy LLC, National Federation of Independent Businesses - Pennsylvania, NRG, Pennsylvania Waste Industries Association, Pennsylvania Manufacturers' Association, Panda Patriot LLC, Pennsylvania Chemical Industry Council, Pennsylvania Independent Oil & Gas Association, Tenaska, UGI Energy Services — we urge the Legislature to oppose the federal Department of Energy's proposed Grid Resiliency Pricing Rule being considered by the Federal Energy Regulatory Commission (FERC).

Adoption of the rule would force FERC to implement policies and tariffs to disrupt competitive energy markets through ratepayer subsidies for certain types of energy generation. Our coalition values all sources of energy so long as all power generation industries compete by the same rules without government mandates or subsidies.

Deregulation of Pennsylvania's natural gas and electricity markets has produced a competitive energy marketplace with prices below the national average that benefit all Pennsylvania consumers. Disruption of electric competition would increase energy costs for seniors, small businesses, manufacturers, transit systems, hospitals, schools and municipal governments. The burden of energy costs to operate state government also would be greatly impacted.

Deregulation was also good for Pennsylvania's nuclear industry. A recent study by Daymark Energy Advisors shows that after Pennsylvania electric customers paid nearly \$9 billion to help the state's nuclear power generation industry transition to competitive energy markets, the industry went on to earn significantly more than forecast over the past two decades.

Deregulation and competition have worked for consumers. Now is not the time to force ratepayers to pay more to bail out those who cannot compete. Early estimates indicate that the adoption of the Department of Energy's rule could cost ratepayers up to \$3.8 billion in higher energy bills annually — and that's a conservative estimate.

The Department of Energy's proposal is an unprecedented government overreach that would result in massive ratepayer subsidies for the nuclear power generation industry and, consequently, higher energy prices for all residential, commercial and industrial consumers in Pennsylvania.

Citizens Against Nuclear Bailouts strongly urges the Legislature to oppose any state efforts to support the Department of Energy's proposed Grid Resiliency Pricing Rule being considered by FERC.