

U.S.

In Ohio, a Fight Over Bailing Out Nuclear Plants Turns Nasty

State attorney general investigates complaints; 'I've never seen anything this nutty,' says professor



The Perry Nuclear Power Plant in Perry, about 35 miles from Cleveland, one of two plants at the center of the bailout. **PHOTO:** DUSTIN FRANZ FOR THE WALL STREET JOURNAL

By Kris Maher

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Ohio is girding for a nasty statewide fight over the bailout of two nuclear plants to get even nastier.

A group that opposes a \$1 billion bailout of two nuclear plants vowed to continue fighting the measure after missing a deadline Monday to deliver enough signatures to put a referendum on the 2020 ballot.

On the other side, opponents have been countering with their own petition drive and a barrage of ads, including one warning that the state's energy grid could be taken over by China.

The Ohio Attorney General's office is investigating dozens of complaints related to signature gathering, according to spokesman Dave O'Neil. One complaint alleges that opponents of the

antinuclear petition drive offered a person gathering signatures at the Greater Columbus Convention Center earlier this month \$1,000 to gather signatures for the other side's petition.



Ohio Gov. Mike DeWine signed the bailout bill into law in July. PHOTO: JOSHUA A. BICKEL/ASSOCIATED PRESS

“I’ve been living here for almost 35 years, and I’ve never seen anything this nutty,” said Ned Hill, a professor of economic development at the John Glenn College of Public Affairs at Ohio State University. He said he opposes the bailout.

Earlier this year, FirstEnerg

y Solutions Corp., which is in bankruptcy, said it needed state funding to keep open two nuclear plants on Lake Erie outside Cleveland and Toledo.

The state’s Republican-controlled legislature passed a bill to raise about \$150 million a year for those plants by imposing fees on electricity customers. Households would pay 85 cents a month. Gov. Mike DeWine, also a Republican, signed the bill into law in July.

The law also trims funding for renewable energy in the state, while subsidizing two coal-fired power plants, including one in Indiana, owned by a consortium of utilities. The law has drawn

opposition from environmentalists, manufacturing groups and consumer advocates.

A group called Ohioans Against Corporate Bailouts needed to file roughly 266,000 signatures to the Ohio secretary of state by Monday. The referendum would give voters the opportunity to reverse the bailout.

Gene Pierce, a spokesman for the group, said it now hopes a federal lawsuit it previously filed seeking more time to gather signatures will be successful. He wouldn't say how many signatures the group had so far received.

Mr. Pierce said that his group hired about 1,500 signature gatherers but that most had been poached by another group that supports the bailout, Ohioans for Energy Security. On Monday, that group delivered 846,000 signatures to a state lawmaker on its own nonbinding petition seeking legislation to prevent foreign investors from controlling energy generation in the state.



The Davis-Besse Nuclear Power Station in Oak Harbor, Ohio, about 27 miles from Toledo. PHOTO: DUSTIN FRANZ FOR THE WALL STREET JOURNAL

In some cases, signature gatherers from out of state who worked for the antibailout group were promised free one-way plane fare to anywhere in the U.S. if they would quit, according to Mr. Pierce. He alleged that opponents also hired people to interfere with signature gathering and bought signatures in some cases so they couldn't be turned in, which he said is illegal.

“The bottom line is that it was an unprecedented campaign to confuse Ohioans and take away their constitutional rights to put a bad bill on the ballot,” Mr. Pierce said.

Carlo LoParo, a spokesman for Ohioans for Energy Security, the pro-bailout group, denied that his group had done anything wrong. “We followed the law throughout the process and exercised our First Amendment rights,” he said.

“Don’t sign the petition allowing China to control Ohio’s power.”

—From pro-bailout ad

Mr. LoParo said he believed the antibailout referendum effort was largely pushed by natural-gas companies and

cited several in the state that had received foreign investment. The campaign alleged that foreign investment could compromise the security of the state’s energy generation. Mr. LoParo said his group thought the issue was fair game during the campaign, including in an ad that warned:

“Don’t sign the petition allowing China to control Ohio’s power.”

The ads sparked a complaint from Chinese American groups. In a letter to the attorney general, the groups called the ads xenophobic. “We are not for or against the bill, but we are strongly opposing the fear-mongering tactics they adopted,” the letter read in part.

Mr. LoParo declined to say how much Ohioans for Energy Security has spent on the campaign or who funded the organization.

Ohioans Against Corporate Bailouts’s spokesman Mr. Pierce said the organization would disclose its contributors and expenditures, as required by law, if it filed its signatures. He said his group started out paying \$3 per signature to workers gathering them, but had to raise that to about \$8 per signature to keep up with the opposition.

Mr. Pierce said a range of groups had supported the referendum effort, including environmentalists and manufacturers. “It’s really consumers who wanted us to succeed, as well as energy suppliers looking to improve prices and services to electricity consumers,” he said.

Angela Pruitt, a spokeswoman for FirstEnergy Solutions, declined to comment on the allegations about tactics used during the signature gathering. She said putting a referendum on the ballot next year would destabilize the financial position of the two nuclear plants.

Write to Kris Maher at kris.maher@wsj.com