FIRSTENERGY

FirstEnergy Facts

Why should customers pay for FirstEnergy's mistakes? The Ohio-based electric utility made a string of bad business decisions and keeps asking customers to pay for them.

It all began in 2014 when FirstEnergy introduced a plan to bail out its coal and nuclear plants, which were struggling to compete in the electricity market. The utility asked the Public Utilities Commission of Ohio (PUCO) to authorize $4 billion in customer-funded subsidies for its aging, inefficient (and dirty) coal and nuclear plants.

The saga has taken many turns since, but FirstEnergy hasn't taken its eyes off the prize: Forcing people in Ohio and beyond to pay for its mistakes.

Evolution of a bailout

- Although the PUCO approved the initial bailout, the Federal Energy Regulatory Commission blocked the deal since it would illegally disrupt regional competitive markets.
- FirstEnergy then asked the PUCO to consider "modifications" to its plan – essentially the same bailout by a different name.
- A rational banker might be cautious about lending money to a money-losing entity, but Ohio's rubber-stamp regulators handed over $600 million to FirstEnergy. That decision is may be overturned by the Ohio Supreme Court.
- Hundreds of millions wasn't enough for FirstEnergy, which then asked the Ohio legislature for $4.8 billion for its two Ohio-based nuclear reactors. Conservative state legislators favored markets rather than bailouts.
- Having failed in Ohio and before federal regulators, FirstEnergy and its lobbyists have turned their pleas to Washington.

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FirstEnergy’s justifications fall flat

FirstEnergy regularly refreshes its bailout rationale, but its justifications never stand up to reality.

- ***Cost***: FirstEnergy’s coal and nuclear plants are losing money. There’s no reason for customers to pay above-market prices for power.
- ***Reliability***: The independent manager of the electric grid (PJM) says there’s plenty of power in the system even if FirstEnergy’s power plants close.
- ***Resilience***: Regional grid operators recently filed reports on resilience, which generally concluded that the grid is resilient and we don’t need uneconomic coal and nuclear plants to keep the lights on.
- ***Financial health***: Regulators are supposed to protect the public interest – and to care more about fair customer bills than utility credit ratings.
- ***Jobs***: Prioritizing clean energy will create new local jobs. Solar and wind jobs have grown at rates of about 20 percent annually in recent years and are each creating jobs at a rate 12 times faster than that of the rest of the U.S. economy.

No matter what reasoning the utility touts, FirstEnergy is always looking out for its own profits.

Why reward FirstEnergy’s history of poor management decisions?