

# The FirstEnergy Bailout

*What Does the Pleasants Transfer Mean  
for Mon Power and Potomac Energy  
Customers?*



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**West Virginia Chapter**

# *Who is FirstEnergy?*

- FirstEnergy is the parent company of Mon Power and Potomac Edison.
- It is one of two major electric utility companies in the state of West Virginia; the other company being American Electric Power, i.e. Appalachian Power.

# What Does FE Say They Want?

- FE claims that Mon Power will experience a “Capacity shortfall” of 779 MW by 2020.
- The “Capacity shortfall” would grow to 1439 MW by 2027.
- To meet this shortfall, FE proposes that Mon Power purchase the 1300-MW Pleasants power plant from their Ohio affiliate.

# What Does FE Really Want?

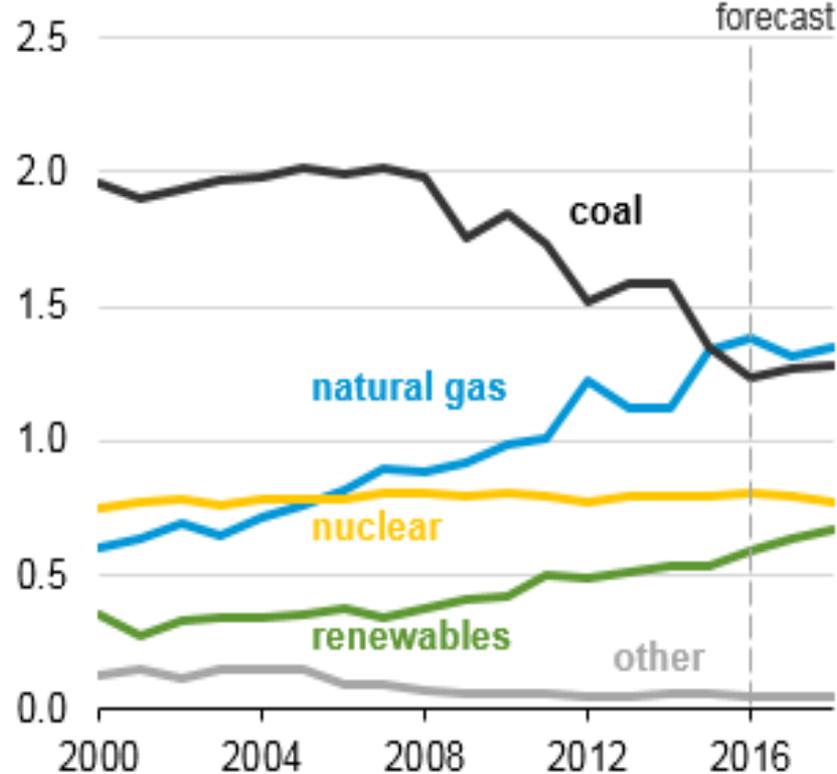
- The Pleasants plant is currently owned by an Ohio affiliate, Allegheny Energy Services. But Ohio is a deregulated state. If the plant can not compete, the stockholders bear the costs.
- West Virginia regulates utilities, and guarantees a profit based on ratepayers bills.
- **By transferring Pleasants to Mon Power, FE guarantees a profit to their stockholders, even if the plant**

# What's Wrong With That?

- *We ratepayers end up bailing out bad business decisions by FE executives and stockholders.*
- Instead of diversifying its fuel sources, the transfer exacerbates Mon Power and Potomac Edison's 90% of portfolio over-reliance on coal.
- *Coal is not the low-cost supplier any more!*

# Demand Market Forces

U.S. net electricity generation  
trillion kilowatthours



U.S. coal production  
million short tons



# WV Coal and Gas

- Boone County lost approximately 2,700 coal mining jobs from 2011 through 2014, a decline of nearly 60 percent.
- 10,000 coal-mining jobs have disappeared from the state as a whole over that same period of time.
- Marcellus Shale Gas. It's only a matter a time before that boom goes bust too.

# Paying \$195 million to FirstEnergy

- to purchase a coal-fired plant already owned by FE, i.e., an “affiliate” won’t translate to construction jobs found in home and business, or energy audits and retrofits with energy saving appliances.
- FE is currently required to pay for EE in the states of Ohio, Maryland, Pennsylvania, and New Jersey. ***Why not West Virginia?***

# Tell the PSC

“Require FE to meet EE and RE Targets”

- By requiring First Energy to, instead, meet energy efficiency and renewable energy targets to ensure projected capacity demands, *as done in other states*, our citizenry would prosper from increased expansion of the fastest-growing market sector of new good-paying jobs in energy.

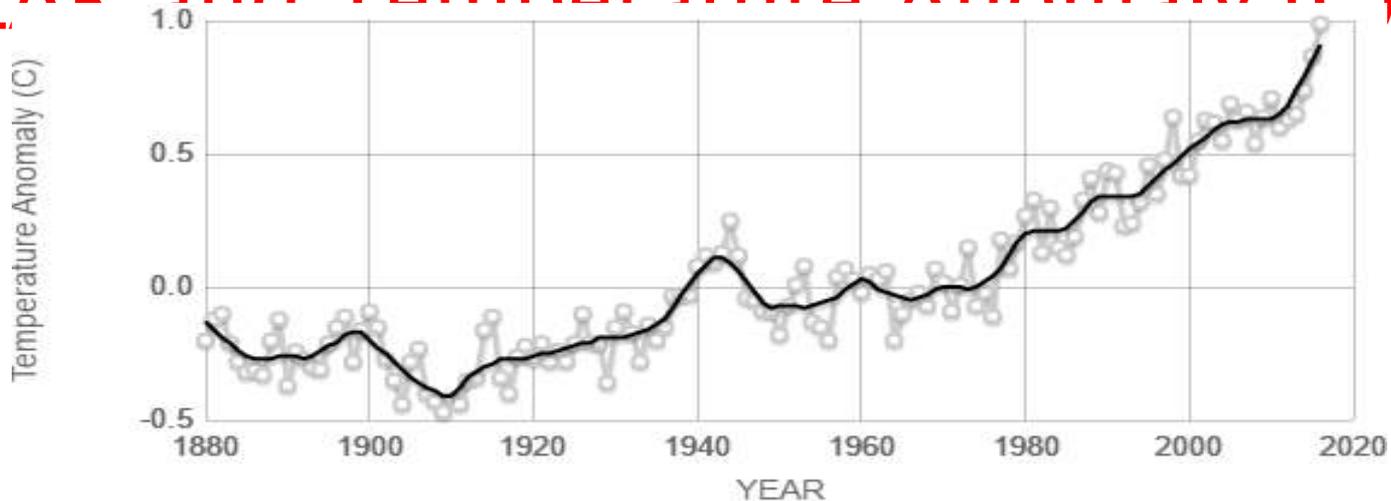
# Paris Climate Agreement

*Carbon dioxide emissions from power need to reach zero globally by 2050*

- Limit global warming changes to 1.5 °C above pre-industrial levels.
- “Negative emissions” technologies and approaches for removing CO<sub>2</sub> from the atmosphere will also be needed.
- This decarbonization of the power sector needs to happen around ten years earlier than under a 2 °C pathway (Rogelj et al. 2015a).

# GLOBAL LAND-OCEAN TEMPERATURE INDEX

- Data source: NASA's Goddard Institute for Space Studies (GISS). Credit: NASA/GISS
- YEAR and Temperature Anomaly (C)



Source: [climate.nasa.gov](https://climate.nasa.gov)



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# West Virginia Sierra Club Chapter

## Statement of Purpose

- To explore, enjoy, and protect the wild places of the Earth
- To practice and promote responsible use of the Earth's ecosystems and resources
- To educate and enlist humanity to protect and restore the quality of the natural and human environment

# Just say No to Dirty Power!

Stop First Energy's Transfer of  
the Pleasants Power Plant

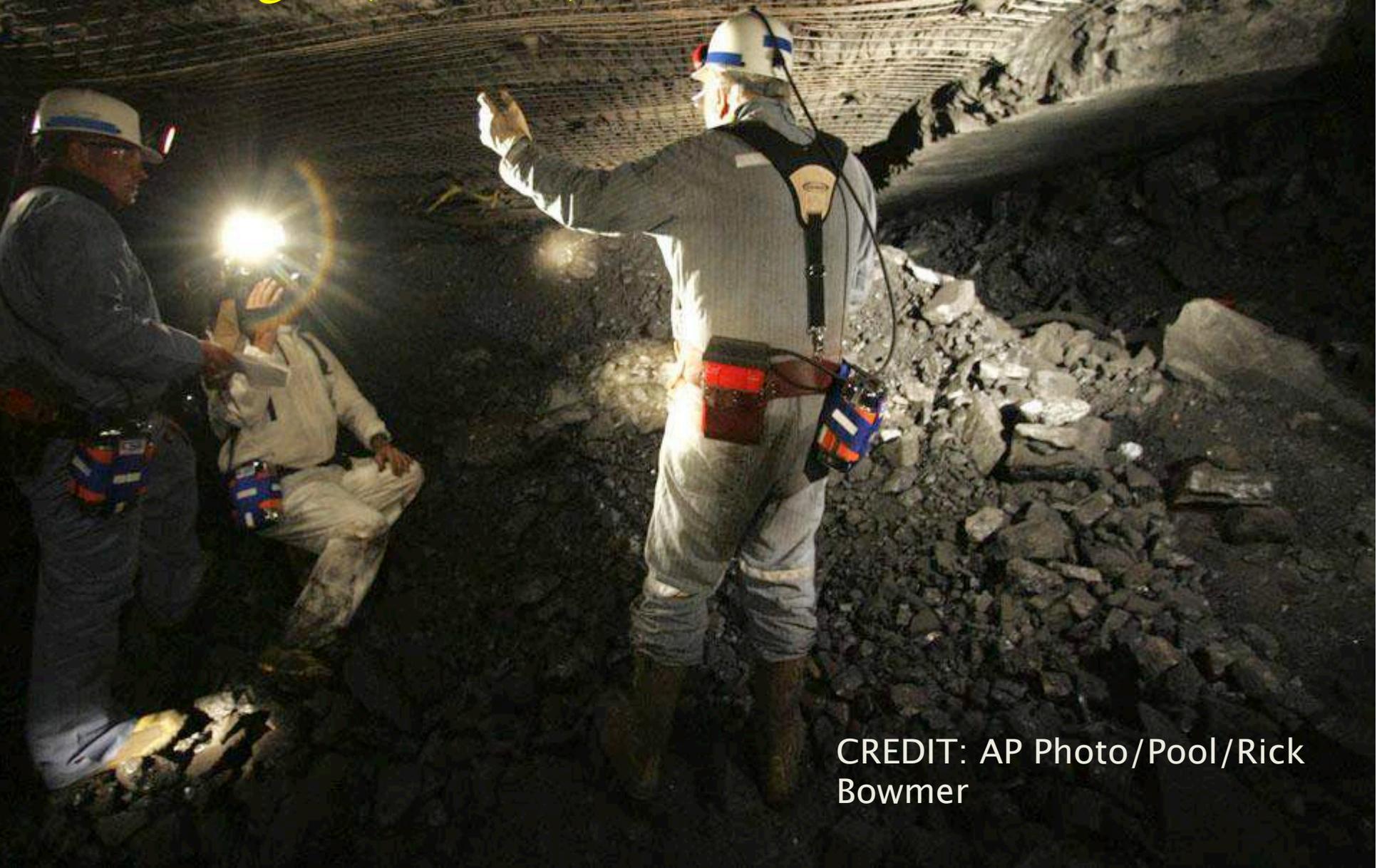


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West Virginia's economy has been dominated by coal and natural gas (DUH!!!).



CREDIT: AP Photo/Pool/Rick Bowmer

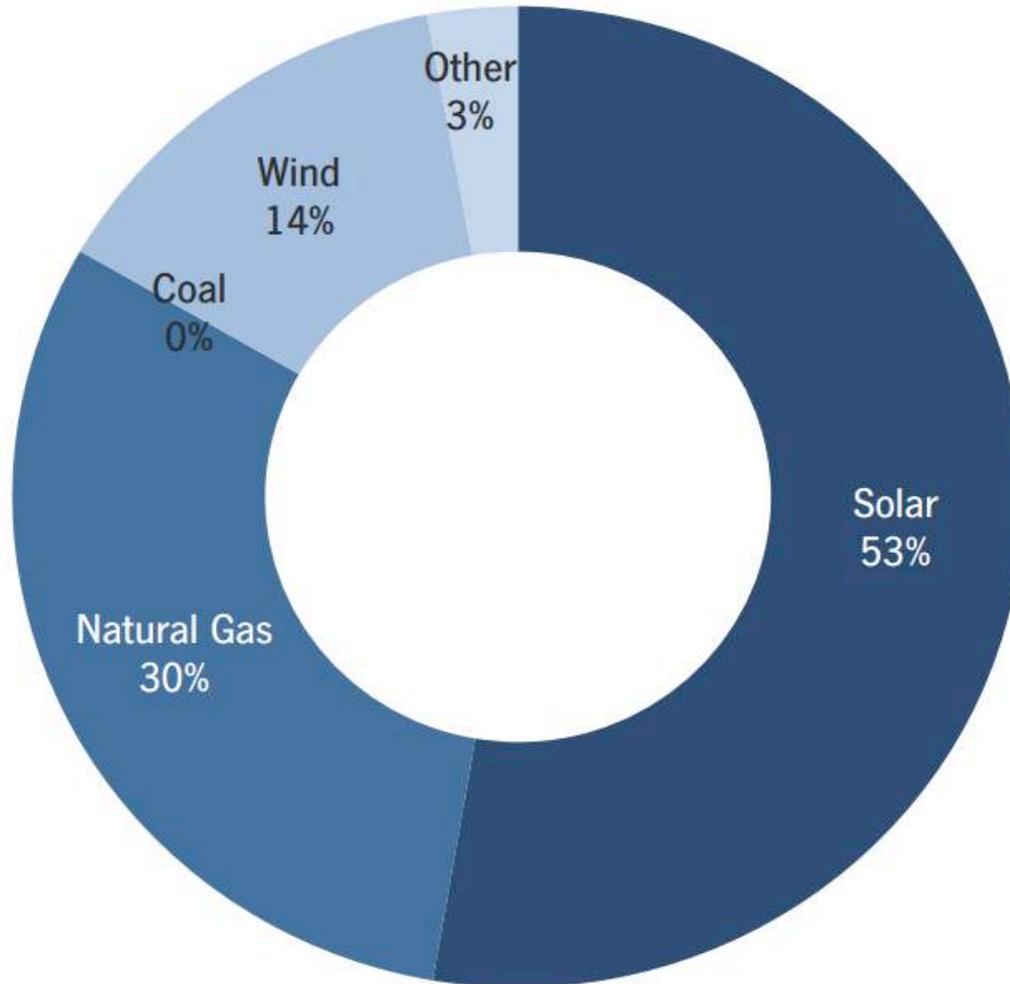
US-DOE reports that cost of electricity from 2013 installed wind projects (\$25/MWh) is **lower** than from coal, and, in some areas, lower than that from new gas-fired power plants.

<http://emp.lbl.gov/sites/all/files/>

[2013 Wind Technologies Market Report Final3.pdf](#)

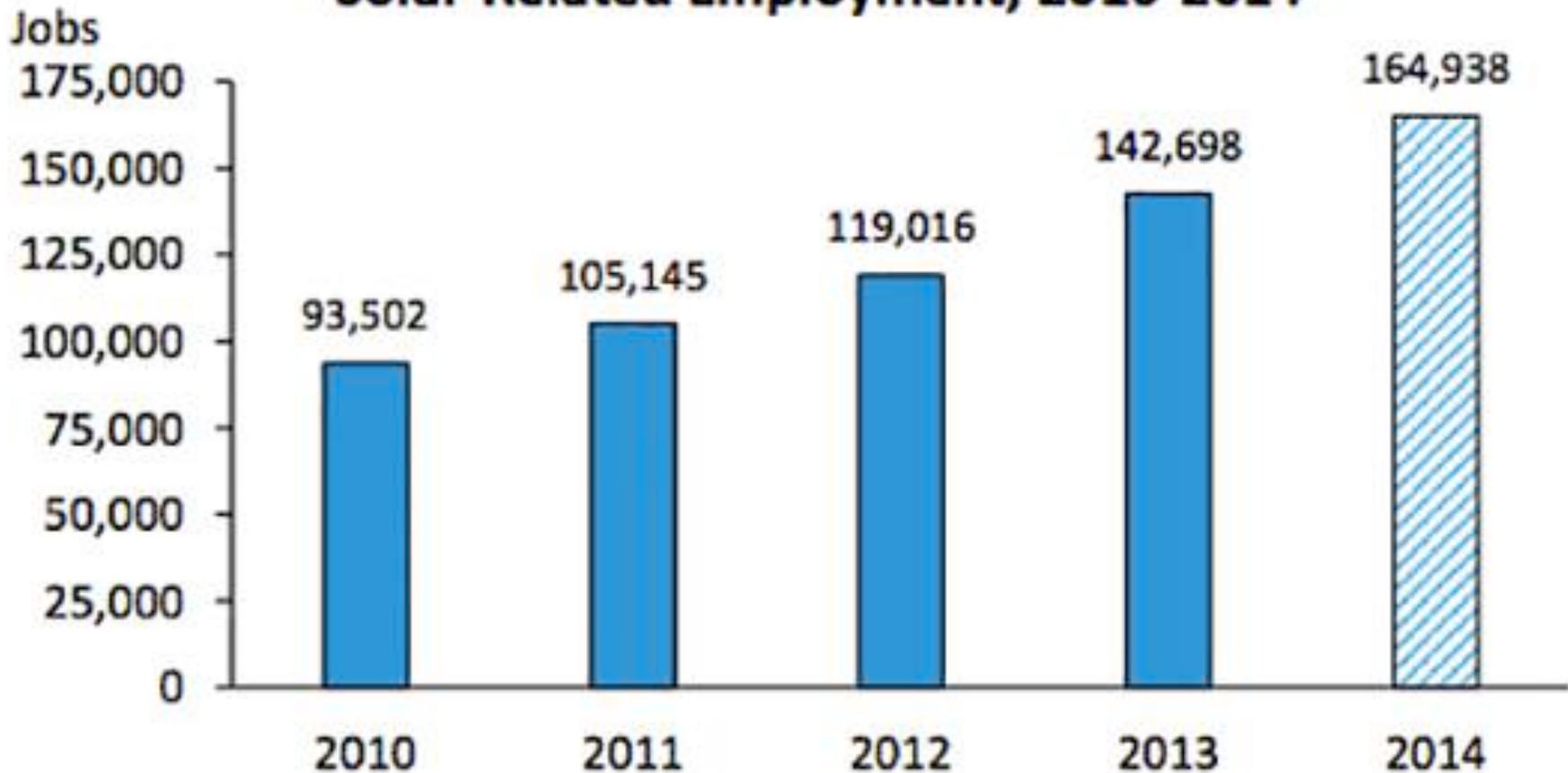
See Figure 49. Average long-term wind Power Purchase Agreements and natural gas fuel cost projections.

# Renewables make up 57% of New Generating Capacity in First Half of 2014, 61 % in 2015 and 2016 (Coal - 25 %)



**Figure 2-12**

**Solar-Related Employment, 2010-2014**



*Solar energy-related employment in the U.S. from 2010-2014.  
Image: White House Council on Economic Advisers*

An aggressive Energy Efficiency program in WV can create more than 19,500 jobs



# Energy Efficiency Beats Fossil and Renewable Sources!

- Extremely Low Cost, 2–4 cents/kWh.
- Better for the environment (Negligible land, air and water impacts).
- Creates More Jobs!

# Are There Other Problems with the Pleasants Plant?

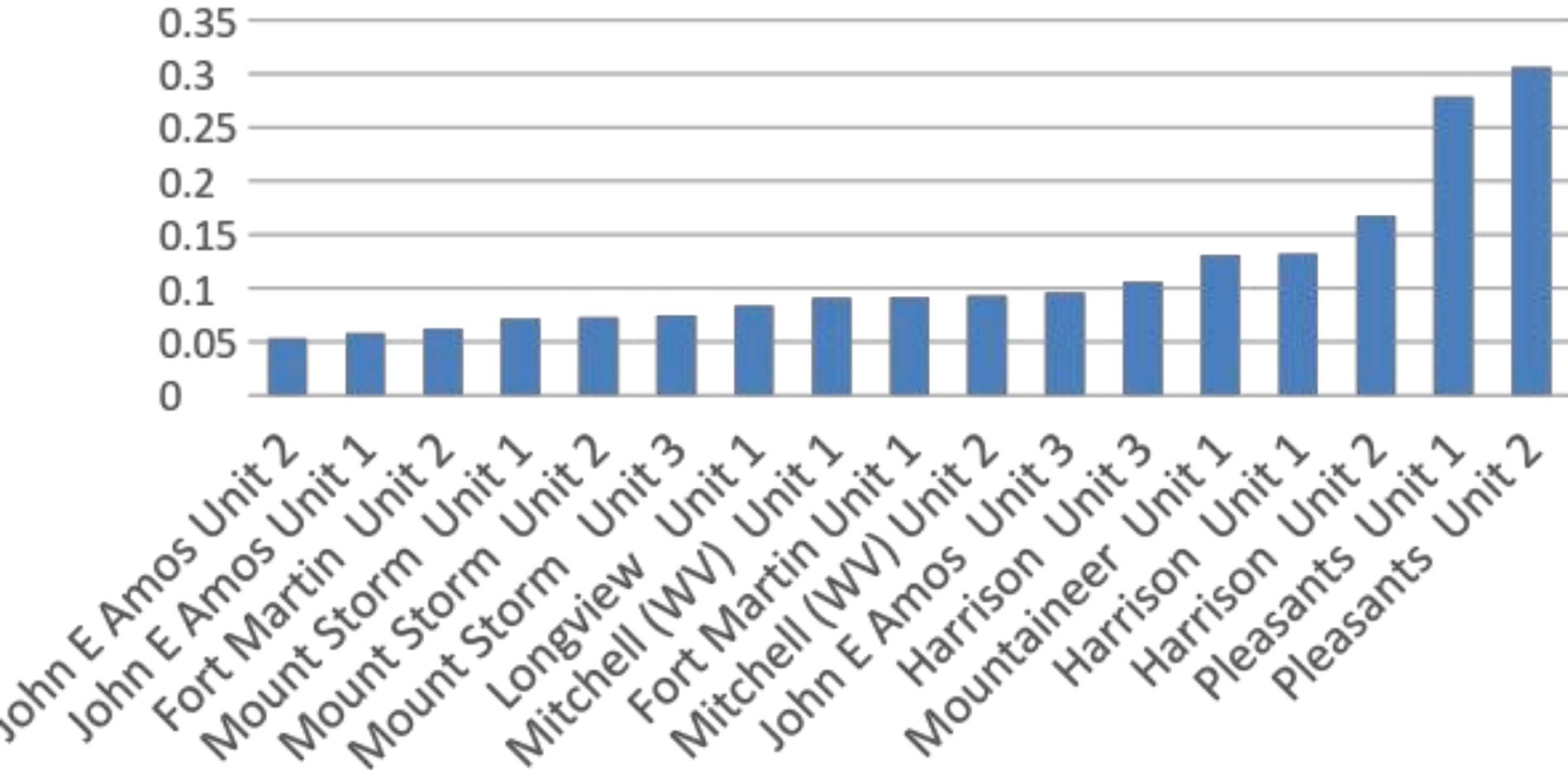


# The Plant Is Over 36 Years Old!

- Coal Ash and Scrubber Wastes contain heavy metals.
- McElroy's Run Embankment is on EPA's June 2009 list of Coal Waste Impoundments with High Hazard Potential Ratings.
- Cooling towers release waste heat.
- 66 million tons of CO<sub>2</sub> released in 2016.
- Capacity Factor = 75 % in 2016.

# Sulfur Dioxide Emissions of Pulverized Coal Plants in West Virginia

SO2 Rate lbs/MMBtu 2016



# What's Wrong With Sulfur Dioxide?

- Acid Rain
- Aerosols
- PM 2.5 (Human Health effects)

# Death and Disease from Fine Particle Pollution from Pleasants

Type of Impact	Annual Incidence	Valuation
Deaths	41	\$300,000,000
Heart attacks	66	\$7,200,000
Asthma attacks	640	\$33,000
Hospital admissions	31	\$720,000
Chronic bronchitis	24	\$11,000,000
Asthma ER visits	33	\$12,000

Source: [Find Your Risk from Power Plant Pollution, Clean](#)

# Stranded Costs

- Occur when an Investment is closed before it is paid off.
- Hatfields Ferry Scrubbers
- Risks to Investors and ratepayers!

<http://ieefa.org/wp-content/uploads/2016/04/Risks-Associated-With-Natural-Gas-Pipeline-Expansion-in-Appalachia-April-2016.pdf>

# Solutions

- **Energy Efficiency** (Lower Cost, Creates More Jobs, Avoids Risks of Another Coal Plant).
  - Avoiding an increase in consumption means we have enough electricity. We can have economic growth without purchasing Pleasants!
- **Renewables**
  - Wind
  - Solar
  - Biomass
- **What's Not a Solution? Natural Gas!**

A composite image where a woman's face is formed by a world map. Her eyes are green, her nose is the African continent, and her mouth is the Americas. The background is a deep blue.

Never doubt that a small  
group of thoughtful,  
committed citizens can  
change the world; indeed,  
it's the only thing that  
ever has. - Margaret Mead

The Last American Vagabond

# What You Can Do!

- Send an online comment letter to the WV Public Service Commission. Cite Case # 17-0296. **Specify you “Protest” the transfer.**
- Write letters to the editor of local newspapers and lawmakers asking everyone to oppose the Pleasants transfer.
- Join a local delegation to City Council, County Commission and other community leaders to have them send

# Public Service Commission of West Virginia

## Attend the PSC Public Hearings

**September 6, 2017, 6 p.m.**

Parkersburg Municipal Building, Council Chambers  
Parkersburg, WV

**September 11, 2017, 7 p.m.**

Martinsburg City Building, Municipal Courtroom  
Martinsburg, WV

**September 12, 2017, 6 p.m.**

Monongalia County Judicial Center, Judge Tucker's  
Courtroom  
Morgantown, WV

# John Muir, Sierra Club Founder

**“The battle we have fought, and are still fighting...is a part of the eternal conflict between right and wrong, and we cannot expect to see the end of it...always be glad to find anything so surely good and noble to strive for.”**