Group forms to oppose power plant transfer

Max Garland, Staff writer

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As FirstEnergy seeks to offload one of its uncompetitive power plants onto West Virginia ratepayers, an organization has been established to oppose the potential move consumer and renewable energy advocates say would harm electric consumers with increased rates.

West Virginians for Energy Freedom officially formed Tuesday as an opposition group to the energy company’s expected move. Made up of various individuals, organizations, businesses and officials, the group held a brief press conference outside the Public Service Commission building in Charleston Tuesday afternoon to state its purpose and reasons for opposing the move.
“FirstEnergy is an out-of-state monopoly that blocks competition and squeezes as much money as possible out of its customers,” said coalition member Karan Ireland, the program director for the solar advocacy group West Virginia SUN. “We know this company. We know that it doesn’t share our vision for an efficient, reliable and affordable electrical system that is run in the best interest of West Virginians.”

MonPower, a subsidiary of FirstEnergy, issued a request for proposal (RFP) in December to acquire 1,300 megawatts of additional power with the state Public Service Commission, which regulates utility companies. That’s the exact amount FirstEnergy’s coal-fired Pleasants Power Plant near St. Marys can generate.

Since West Virginia is a regulated market, which guarantees a profit, the acquisition would place any cost and risk associated with the facility onto the ratepayers MonPower serves in the northern half of the state.

“One of the issues here is that energy efficiency and other sources of energy, like natural gas, is much more cost competitive,” said coalition member Emmett Pepper, Energy Efficient West Virginia’s executive director. “Instead of using market forces and market values for what works best for customers, we’re being asked to accept what is best for [FirstEnergy].”

Todd Meyers, a spokesperson for the company, said in an emailed statement that MonPower needs the additional capacity for a projected shortfall and it’s too early to speculate on what source is selected through the process.

“We believe that our RFP process is competitive, and we are confident that the
results will show that,” he said. “Rather than speculate on outcomes, we will let the RFP process play itself out.”

FirstEnergy CEO Charles Jones has told investors in the past that FirstEnergy is looking to offload the plant to MonPower. In November, he said he would work to get the sale approved by the PSC.

When a company seeks additional generation capacity, it normally would accept offers from companies that could sell other power sources — be it natural gas, wind or solar — to get the lowest rate for consumers.

But Pepper said MonPower’s request limited the possibilities, both capacity-wise and by restricting where competing plants can be located, to just one source — the Pleasants plant. The PSC ruled in October that FirstEnergy did not need to accept bids for other energy sources before asking for additional capacity, reducing options that could have been evaluated before it submitted the request.

Last week, the independent Public Service Commission staff expressed concerns of the potential sale in a filing that said FirstEnergy’s RFP is “overly restrictive” in its criteria and sources that qualify for proposal. The next day, the West Virginia Energy Users Group supported the staff’s thoughts in a filing of its own.

“The benefits of an RFP are best realized if it results in broad participation by a multitude of interested parties who are given reasonable flexibility to provide their proposals,” the staff said in its filing. “Staff is not sure this RFP will realize those benefits.”

Opponents have anticipated the move for about a year now, and FirstEnergy has made it clear in recent months it wants to move away from competitive energy markets into fully regulated ones like West Virginia’s in a span of 12 to 18 months.
West Virginians for Energy Freedom expects MonPower to seek PSC approval for the plant purchase at some point in March.

Before then, Ireland said West Virginians for Energy Freedom will hold community meetings to have customers and ratepayers share their concerns about the possible sale.

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Poll Released: Jan 30

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