



PERRY JOINT FIRE DISTRICT

3742 CENTER ROAD • P.O. BOX 439 • PERRY, OH 44081
TELEPHONE (440) 259-2880 • FAX (440) 259-3680

JAMES McDONALD
FIRE CHIEF

On August, 28, 2017 a meeting was held by members of First Energy along with leaders of Lake County and Perry in regards to the operation of the Perry Nuclear Power Plant. In this meeting we were informed that the plant has been working at a deficit to produce power for some time. They also stated that they have a large payment due in April of 2018 that needs to be paid. Legislation to the Ohio House has been introduced in the form of House Bill 178 and Senate Bill 128 called ZEN Legislation. These bills create "Emission Credits" that are awarded for clean energy/ low carbon emissions. State Representative Ron Young and State Senator John Eklund have worked diligently to pass and show support for this legislation that if not approved will result in the closing of all three First Energy nuclear facilities (PNPP, Davis Bessie and Beaver Valley in Pennsylvania) in the immediate future. The closing of the PNPP facility will create catastrophic losses as shown in **(Exhibit 1)** that is estimated by the Lake County Auditor, Edward Zupancic.

In addition to the previous information the Perry Joint Fire District along with other community assets (schools, library, seniors, etc.) received a letter in October from Lake County Auditor Edward Zupancic. The letter stated that the filing of taxes by First Energy for the Perry Facility were reduced by 50 million dollars. With this evaluation the Auditor told the Fire District that we would be losing 335,000 thousand dollars in 2018 **(Exhibit 2)**. This evaluation is **non-negotiable** and was addressed by a letter of dissatisfaction from Rep. Ron Young **(Exhibit 3)** who asked First Energy to reconsider due to the loss of tax revenue that will affect multiple jurisdictions and groups throughout Lake County.

Community and County leaders have traveled to Washington D.C. to meet with Department of Energy officials and Congressman David Joyce **(Exhibit 4)** to plead our case in regards to "Clean Emissions" and the effect of the closure of nuclear power facilities in Ohio and elsewhere. County Commissioner Jerry Cirino, Dr. Jack Thompson, Perry Schools Superintendent, along with officials from Ottawa County (location of Davis Bessie) have pressed the importance of our power plants to be open and producing power as evident in **(Exhibits 5 and 6)**.

In October the Perry Fire District was informed that 335,000 dollars will be lost from it's budget within the next 6 months. This is over 11% of our yearly budget. We have been working hard in making necessary cutbacks in our operations to enable us to work within our budget **and** provide the services to our community. Although this is a significant loss of funds, the closing of the Perry Nuclear Power Plant would be a devastating blow to Perry, Lake County and the state of Ohio. We ask you to voice your support to our legislators for House Bill 178 and Senate Bill 128 to keep our nuclear power plant.

If you have questions or concerns feel free to contact me at 440 259-2880. Yours in Safety, Chief James McDonald.

Perry Joint Fire District

EXHIBIT # 1

4.5 Levy Loss collections per year	\$596,236.00
2.9 Levy Loss collection per year	\$384,235.00
Dereg Money Year 2018	437,155.00
	<u>\$1,417,626.00</u>

Dereg Money	
Year 2018	\$ 437,155.00
Year 2019	386,137.00
Year 2020	335,119.00
Year 2021	309,609.44
Year 2022	258,590.95
Year 2023	207,572.46
Year 2024	156,553.97
Year 2025	105,535.48
Year 2026	54,516.98
Year 2027	3,498.49
Total Dereg Money (Yrs 2018-2027)	<u>\$ 2,254,288.77</u>

Current Mill Worth	426,529,990
If plant closes Mill worth	<u>294,130,000</u>
Differnce	132,399,990
Percentage	31%

Public Utility Loss	
Firstenery Nuclear	123,003,510
Ohio Edison First Energy	9,493,400
	<u>132,496,910</u>



Lake County, Ohio

EDWARD H. ZUPANCIC
COUNTY AUDITOR

SECRETARY OF
BUDGET COMMISSION
BOARD OF REVISION

ADMINISTRATOR
DATA PROCESSING DEPT.

LAKE COUNTY ADMINISTRATION CENTER
105 MAIN ST.
P. O. BOX 490
PAINESVILLE, OHIO 44077-0490

440-350-2532
440-298-3334
440-918-2532
440-918-2500
FAX: 440-350-2667

EXHIBIT # 2

OCT 16 2017

October 13, 2017

Joanne Clapp, Fiscal Officer
Perry Joint Fire District
P O Box 439
Perry, OH 44081

Dear Sir or Madam:

First Energy Generation Corp, the owner of the Perry Nuclear Power Plant and Eastlake Coal Plant filed their **public utility valuations**, which are not public record, to the Ohio Department of Taxation in March of this year as required.

This month, the Lake County Auditor's office received the valuation notice from the Ohio Department of Taxation for public utility, which includes **significant** devaluation for districts in which these facilities are located.

As a result of this devaluation, the 2018 tax distribution estimates are significantly lower than the 2017 tax distribution based upon the new public utility valuation for non-emergency levies. The included schedule provides the distribution of taxes, relative to your political subdivision, based upon the valuations.

Please be advised, I am recommending that all affected political subdivisions budget accordingly as there will be a reduction of taxes as shown in column named (Difference in Tax) for the distribution year 2018.

If you have any questions regarding this matter, please feel free to contact me at (440) 350-2530.

Sincerely,

Edward H. Zupancic
Lake County Auditor

Public Utility

EXHIBIT # 2

Political Subdivision	2016		2017		Difference in Value	Difference in Tax
	Value	Tax	Value	Tax		
County						
General Fund	398,760,490	398,760	346,036,130	346,036	(52,724,360)	(52,724)
ADAMHS	398,760,490	638,016	346,036,130	553,658	(52,724,360)	(84,358)
DD	398,760,490	1,953,927	346,036,130	1,695,577	(52,724,360)	(258,350)
Narcotics	398,760,490	119,628	346,036,130	103,811	(52,724,360)	(15,817)
Children Services	398,760,490	279,132	346,036,130	242,225	(52,724,360)	(36,907)
Crime Lab	398,760,490	119,628	346,036,130	103,811	(52,724,360)	(15,817)
Senior Citizens	398,760,490	199,380	346,036,130	173,018	(52,724,360)	(26,362)
Lake Metroparks	398,760,490	1,116,529	346,036,130	968,902	(52,724,360)	(147,627)
Lakeland C C	398,760,490	1,435,538	346,036,130	1,245,729	(52,724,360)	(189,809)
North Perry Village	148,381,540	341,278	97,491,280	224,230	(50,890,260)	(117,048)
Perry Fire	161,893,810	1,150,093	110,190,810	815,412	(51,703,000)	(334,681)
Perry Local S D	161,893,810	7,155,706	110,190,810	4,870,433	(51,703,000)	(2,285,273)
Perry Library	161,893,810	271,982	110,190,810	192,834	(51,703,000)	(79,148)
W-E Library	99,470,360	228,781	76,372,610	175,658	(23,097,750)	(53,123)
Auburn	223,535,770	335,304	192,725,850	289,089	(30,809,920)	(46,215)
Financing	205,716,810	1,008,012	174,336,920	854,251	(31,379,890)	(153,761)
Perry Twp	11,671,780	228,888	10,775,050	168,031	(896,730)	(60,857)
General Fund		202,043		143,248		(58,795)
Road & Bridge		26,845		24,783		(2,062)
Eastlake	74,712,640	620,115	50,535,030	419,442	(24,177,610)	(200,673)
General Fund		282,414		191,022		(91,392)
Police Pension		22,414		15,161		(7,253)
Fire Pension		22,414		15,161		(7,253)
Debt In		31,379		21,225		(10,154)
Debt Out		37,356		25,268		(12,088)
Road		224,138		151,605		(72,533)
W-E SD	99,470,360	6,413,849	76,372,610	4,924,506	(23,097,750)	(1,489,343)
General Fund		3,710,245		2,848,699		(861,546)
Emergency		2,177,406		1,671,796		(505,610)
PI		129,311		99,284		(30,027)
Debt		396,887		304,727		(92,160)

The highlighted amounts will not actually be lost due to being either an emergency or debt levy, those amounts will be picked by the the res/agr and other properties.

EXHIBIT # 3

Ohio House of Representatives



Ronald Young
State Representative
61st House District

October 25, 2017

Ty Pine
Director of State Affairs, First Energy
100 E Broad Street, Ste. 2225
Columbus, OH 43215

Mr. Pine,

I would like to express my grave disappointment with the recent devaluation of the Perry Nuclear Power Plant and Eastlake Coal Plant as submitted by FirstEnergy Generation Corp ("First Energy").

Lake County has been greatly impacted by the continual revenue loss over the last several years as a result of the status of the nuclear power and coal plants. We have worked hand-in-hand with local public and private community partners and the state to propose innovative solutions to address this revenue loss.

Recent state budget discussions and negotiations with Lake County entities such as school systems, fire districts, County Commissioners, social services (including Children Services, Crime Lab, Narcotics, Senior Citizens and the ADAMHS Board)*, were predicated on First Energy's affirmation that the Perry Nuclear Power Plant and Eastlake Coal Plant public utility valuations would not significantly change in the near future, and thus Lake County entities would not see a dramatic reduction of tax revenue this year. However, to my surprise and in contrast to previous discussions, the public utility valuations First Energy filed with the Ohio Department of Taxation in March 2017 included an over \$50 million difference in value from the 2016 valuation. In light of this decision by First Energy, there will be many political subdivisions that will no longer justify being supportive of First Energy's legislative proposals.

My understanding is this might be able to be remedied if First Energy decides to appeal the Tax Commissioner's decision and request an increase in valuation so that the dramatic negative local impact of such a devaluation would be reduced. Please give this request your full and fair consideration.

Respectfully Submitted,

Handwritten signature of Ronald Young in cursive.

Ronald Young
State Representative

Handwritten signature of Edward H. Zupancic in cursive.

Edward H. Zupancic
Lake County Auditor

*A complete list of impacted Lake County Organizations and the fiscal impact on each is attached to this letter.

Exhibit # 4

October 16, 2017

Chairman Neil Chatterjee
Commissioner Cheryl A. LaFleur
Commission Robert F. Powelson
Federal Energy Regulatory Commission
888 First Street, NE
Washington, D.C. 20426

Dear Chairman Chatterjee, Commissioner LaFleur, and Commissioner Powelson,

We write to thank the Department of Energy and Federal Energy Regulatory Commission (FERC) for initiating a rulemaking to help ensure a secure, resilient, and reliable U.S. electrical system. This will be accomplished by preserving the baseload power plants that form the backbone of our electric grid.

Our nation depends on an affordable, reliable, and secure supply of electricity produced by diverse energy resources. Baseload power plants are the only resources that can operate around the clock to support the energy demands of customers, businesses, and industries. These plants operate in all types of weather, and because they maintain large reserves of on-site fuel, they are not sensitive to fuel supply disruptions.

Preserving baseload plants also promotes a strong American economy. These facilities are economic engines that provide thousands of jobs not only at generating facilities and throughout the supply chain, but also in the small businesses, restaurants, entertainment venues, and other industries that comprise the communities around these plants. Local schools, police and fire departments, and other vital community services rely heavily on tax revenues paid by these facilities.

The current market structure, which undervalues baseload generation, has led to these plants closing prematurely at an alarming rate. These closures have resulted in an electrical grid with weakened resiliency and a diminished ability to respond to crisis.

A logical way to address this issue is to develop and implement market rules that appropriately compensate fuel-secure baseload generating plants. America's energy future depends on preserving a diverse, resilient, dependable, and secure energy supply. We appreciate your commitment on this matter and respectfully urge your swift action to develop and implement market rules that will prevent premature baseload plant closures, consistent with the rules and regulations of the Commission.

Respectfully,

David P. Joyce
Member of Congress

Federal officials asked to help save Davis-Besse

Daniel Carson, Reporter Published 2:27 p.m. ET Oct. 24, 2017

Ottawa County commissioner makes plea to Energy Department staffers in D.C.



(Photo: File photo)

CARROLL TOWNSHIP - A pair of Ottawa County officials delivered a direct plea to U.S. Department of Energy officials to consider the importance of the Davis-Besse Nuclear Power Station to the region's economy and nuclear power's overall role in the nation's electric grid.

Ottawa County Commissioner Mark Stahl and Jamie Beier Grant, executive director of the Ottawa County Improvement Corporation, traveled to Washington D.C. on Thursday with Commissioner Jerry Cirino of Lake County, where FirstEnergy's Perry nuclear plant is located, and asked for federal help to keep Ohio's two nuclear power plants operating.

Stahl said there were 15 DOE staff members at the meeting.

"They're very tuned into what we're trying to do," Stahl said, adding that the National Association of Counties also sent a representative to the meeting.

Ottawa County and Lake County officials were advocating for the resiliency of the region's power grid and the importance of nuclear power's place in a diversified national energy portfolio.

Stahl said last month that he and the other commissioners would be asking federal officials to step in and buy their communities some time while FirstEnergy decides what it will do with its two nuclear power plants in Ohio.

FirstEnergy has been consistent in declaring its intentions to exit competitive power generation and become a fully regulated company. The company is still doing a review, scheduled for release in mid-2018, that will determine whether it keeps open, sells or closes its Davis-Besse and Perry sites.

Stahl said on Monday that he submitted letters to the Federal Energy Regulatory Commission on behalf of the Ottawa County Board of Commissioners.

Energy Secretary Rick Perry and the DOE filed a proposal with FERC in September to help prevent additional premature closures of U.S. baseload generating facilities.

Perry formally proposed that the Federal Energy Regulatory Commission take swift action to address threats to the nation's electrical grid resiliency.

The secretary urged the commission to issue a final rule requiring its organized markets to develop and implement reforms that would maintain the reliability and resiliency of the nation's grid.

In one of his letters to FERC commissioners, Stahl said the country's energy sector had reached a grave point with current market rules that prioritized short-term market conditions and don't properly value the long-range benefits provided by baseload power plants such as Davis-Besse.

He noted the devastation Ottawa County would face if Davis-Besse, which employs close to 700 people, closed its doors.

"Developing and implementing market rules that appropriately compensate fuel-secure baseload generating plants is a logical way of addressing this issue and (the) Federal Energy Regulatory Commission's action must be finalized immediately to prevent additional plant closures," Stahl wrote.

Stahl said FERC's three-member board is expected to rule on Perry's proposal by the second week of December.

dacarson@gannett.com

EXHIBIT # 6
Akron Beacon Journal/Ohio.com

Ohio.com / Editorial / Editorials /

Beacon Journal editorial board: Nuclear matters for Ohio

Published: October 23, 2017 - 6:08 PM | Updated: October 24, 2017 - 10:19 AM

x



By the Beacon Journal editorial board

FirstEnergy is back — with another version of its proposal to create zero

emissions credits for the Davis-Besse and Perry nuclear power plants. House Bill 381, sponsored by state Rep. Anthony DeVitis, a Green Republican, would generate a smaller financial cushion for the Akron-based power company. The measure remains necessary, if Ohio is going to do its part to address climate change.

The Davis-Besse and Perry plants face the same challenges as nuclear plants across the country. They have trouble competing against cheap, abundant natural gas. Already nuclear plants have closed elsewhere. New York and Illinois have led the way in seeking to bolster the position of nuclear, arguing, correctly, that the plants are indispensable clean energy.

Ninety percent of the clean energy in Ohio comes from Davis-Besse and Perry. Jeopardize that capacity, and the leading replacement would be natural gas, promoted as “clean” but still a fossil fuel, with 60 percent of the carbon emissions of coal.

That should be enough to rally environmental groups behind the FirstEnergy proposal. Unfortunately, they have joined critics decrying the “bailout” of aging, outdated plants.

What would FirstEnergy receive through H.B. 381? Roughly \$180 million a year, residential customers paying \$2.50 per month. The subsidy would continue for 12 years. Advocates for the legislation cite the benefits to the communities surrounding the plants, securing 1,400 jobs, plus 3,000 related positions and tax dollars flowing to local schools and other public entities. Akron could be hit hardest if another utility consumes a vulnerable FirstEnergy.

Those arguments may resonate most deeply at the Statehouse. The environmental case is stronger.

Consumer advocates and the oil and gas industry stress: Trust the market. FirstEnergy said as much not too long ago. Markets serve well, obviously. They also are imperfect. In this instance, they fail to value adequately reliable, carbon-free nuclear power.

Policymakers often have intervened to serve a larger public interest. They have aided wind and solar power, even fossil fuels. This isn't about picking winners and losers among businesses, as the easy slogan goes. The losers will be Ohioans and the rest of the country — without sufficient nuclear power when scientists warn that carbon emissions must be reduced at least 80 percent by mid-century to prevent graver harm from climate change.

Look at the damage in Houston, Florida and Puerto Rico, the physics of global warming intensifying rainfall and hurricanes, the costs evident from the many

images.

EXHIBIT # 6

Rick Perry, the secretary of energy, has launched a federal effort to improve the financial position of nuclear and coal. If his initiative is hurried and incomplete, it also misses the mark in failing to focus exclusively on nuclear. The Trump White House shows little concern about climate change.

Ohio can do better than ignore the compelling science. Lawmakers can take seriously what FirstEnergy proposes, preserving our largest source of clean energy.

Local journalism. More essential than ever.

Subscribe to the Akron Beacon Journal



Terms Of Use & Service • Copyright

© 2017 The Akron Beacon Journal • Ohio.com • 44 E. Exchange Street, Akron, Ohio 44308

