14-1297-EL-550

INNER CONTRACTORY OF ANERCOMMENTATION OF ANERCOMMENTATION UTILITY WORKERS UNTO A MERICA INCOMPANY

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March 23, 2016

Andre Porter, Chairman Public Utilities Commission of Ohio Continental Plaza 180 E. Broad Street, 11<sup>th</sup> Floor Columbus, OH 43215

Dear Commissioner Porter:

The Utility Workers Union of America, AFL-CIO, supports FirstEnergy's request for a Purchase Power Agreement (PPA).

We are proud to work in the Electrical Industry in Ohio. FirstEnergy has submitted a PPA for consideration by the PUCO, which will protect customers against the possibility of loss of power capacity and provide price stability in a market that has been volatile and unsettling for many customers. The PPA will help level out the fluctuation in generating costs, and prevent viable and necessary power plants from being shut down due to economic instability. These are valuable and environmentally compliant generating units. This is not a bailout as characterized by detractors working to confuse the issue.

Ohio's electric supply is dwindling.

New EPA regulations and economic pressures are forcing the accelerated shutdown of many of Ohio's power generating plants. Stable, long-lived generating plants are at risk of early closure resulting in economic impact, job losses by the UWUA and other workers, and even more price instability. This is happening because the current federally regulated market does not provide electric generators with stable or predictable revenues.

Numerous generation units have shut down since 2012, while at the same time there has been no equal investment in construction of new power plants to offset these closings. In 2015, FirstEnergy closed three UWUA-represented generating plants in the Cleveland area alone. Since 2007, only two new generating plants have been put into service in Ohio. Both plants are financed by Purchase Power Agreements – the very same mechanism that FirstEnergy has proposed to the PUCO.

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Andre Porter, Chairman March 23, 2016 Page 2

Without a PPA, FirstEnergy cannot support Ohio's electricity needs.

This impact goes further than electric price stability for Ohioans; there are significant job and economic impacts as well:

- Closures will result in skilled job losses directly and indirectly to many Ohioans, including men and women of the Utility Workers Local Union 457 that work currently at FirstEnergy's Sammis plant in Stratton, Ohio, as well as the many men and women who provide maintenance to the facility and new construction projects.
- The power plants in question provide a strong economic impact in their local communities, such as small business owners and a good local tax base for schools and infrastructure to name a few, some of which are still reeling from the recession.

The PPA is an important part of delivering unmatched, and stable, service to our customers. It is greatly needed and worthy of our support.

Sincerely,

D. Michael Langford National President Utility Workers Union of America, AFL-CIO

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