# Ohioans have spent $679 million over a decade to bail out two coal plants

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COLUMBUS, Ohio – Over the past decade, a combination of legislative and regulatory decisions from the state has forced Ohioans to pay $679 million via fees on their power bills to cover losses on two money-losing coal plants, new data shows.

In 2024 alone, ratepayers gave nearly $172 million to the coal plants' Ohio-based owners – American Electric Power, Duke Energy, and AES Ohio. That's the highest annual sum on record and a significant increase from 2023, when the subsidies neared $149 million, according to new data provided Wednesday by the Public Utilities Commission of Ohio.

Under current law, the coal bailouts run until 2030. Pending legislation could move up that end date to between 2026 and 2028, varying by the recipient. Those proposals are in their early stages and lawmakers haven't yet brought them forward for votes.

For most residential customers, the payment is capped at $1.50 per month. The customers pay even if their electric utility, like FirstEnergy, doesn't keep any of the funds and acts as a pass-through. According to the state's utility rate survey, Clevelanders paid the full $1.50 "Legacy Generation Rider" in December 2024. Ratepayers in Columbus and Cincinnati paid $1.39.

While the charge is modest on a per customer basis, the subsidy adds up to a massive wealth transfer from electric customers to the utilities that own the Ohio Valley Electric Corporation (OVEC).

OVEC operates two coal-fired power plants – one in southeast Ohio and another in southeast Indiana. Utilities built the plants in the 1950s to power a federal government operation to enrich uranium. That contract ended in 2003, and the plants have since sold their power into the regional electric grid, more often than not at a loss that's covered by Ohio's ratepayers.

Equity in OVEC is split between nearly a dozen companies. American Electric Power owns the largest stake by far (44%). Duke Energy owns 9%, and AES Ohio owns nearly 5%.

In the 2010s, the Ohio utilities with stake in OVEC asked the PUCO for authorization to charge their customers for plant losses for a few years. But in 2019, state lawmakers passed a bill that codified the bailouts in law; expanded the payor base to include all electric customers in Ohio; and extended the bailouts through 2030.

The utilities in the past have referred to the payments as a "hedge" rather than a subsidy or a bailout because the charge can function as a credit for customers when coal prices rise. However, this has only occurred for one year of the OVEC bailout term, when the Russian invasion of Ukraine warped energy markets.

That 2019 legislation also provided a $130 million per year bailout to FirstEnergy Solutions' two nuclear plants in Ohio and a $20 million per year subsidy for a select few of Ohio's older solar farms. Prosecutors have since accused two FirstEnergy executives of paying a $60 million bribe to ex-Ohio House Speaker Larry Householder in exchange for passing the legislation. The executives, who pleaded not guilty, await trial. Householder is serving a 20-year prison term.

In the wake of the arrests of Householder and four accomplices, lawmakers repealed the nuclear bailout and a few other FirstEnergy specific elements of the 2019 law. However, the OVEC bailouts and solar subsidies remained. Democrats and some Republicans have tried over the years to repeal them, though they've never managed to put the idea to a vote.

In the current legislative session that began last month, Republicans in both Statehouse chambers have identified expanding energy production as a major priority. The leadership-backed bills in either chamber, among other measures, include repeals of both the OVEC and solar subsidies. However, those bills allow the three utilities to continue to collect on the OVEC subsidies until between 2026 (AES Ohio) and 2028 (American Electric Power).

Both bills are in their early stages. Ohio's utility companies, who are expected to oppose the legislation given the OVEC repeal and other ratemaking changes within them, will likely appear next week for opposition testimony. From there, committee chairmen and Republican leadership decide whether to schedule a vote.