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WIRE-Net Disappointed in PUCO Decision to Approve FirstEnergy Bailout

Cleveland, Ohio, Thursday, March 31, 2016 – PUCO's decision a day early, but still a cruel joke on Ohio manufacturers.

(Cleveland, OH) – WIRE-Net today expressed disappointment and frustration with the PUCO decision approving FirstEnergy's power purchase agreement, saying it disadvantages Ohio manufacturers and undermines economic growth.

"Today's decision has our members very worried about the looming increases in electricity costs," said John Colm, President and Executive Director for WIRE-Net. "Manufacturers need predictable and lower electricity costs, but clearly this decision will lead to higher costs. This bailout means companies will face the prospect of raising prices – which is rarely possible -- or cutting production or even laying off employees. The bailout will surely slow expansion in the manufacturing sector," Colm said.

According to the utility, the bailout will cost over \$400 million over the next two and half years, and may result in lower prices down the road – but other experts predict the cost could jump to the billions and point out that there are no guarantees that prices will drop in the future. "Ohio manufacturing has been on the comeback for a while, but higher electricity bills under this plan could thwart this progress," said Colm. "Furthermore, manufacturers and other ratepayers take all the risk. FirstEnergy's shareholders get a guaranteed return of over 10% with little risk." Colm said the costs of the bailout plan cannot be avoided by shopping for power from other generators. "All Ohio ratepayers will pay, even if you buy electricity from FirstEnergy's competitors. This is unfair."

Colm also said that this plan obstructs the current competitive electricity market that has lowered electricity costs, which manufacturers have benefited from. It eliminates the incentive for a manufacturer to shop for their power generation, since this plan forces them to buy more expensive power.

"This decision only benefits FirstEnergy and their shareholders, while northeast Ohio manufacturers get stuck with the bill," continued Colm.

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About WIRE-Net: WIRE-Net is a membership-based, non-profit economic development organization that provides services to manufacturing leaders to strengthen their businesses, create healthy communities and fuel economic growth. WIRE-Net has 369 members that employ over 20,000 people across greater Cleveland.

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