



***Megan Beeler, Chairman
Montgomery County
Finance Committee***

#1 Courthouse Square

2nd Floor – Room 202

Hillsboro, Illinois 62049

Phone: (217) 532-9577 Fax: (217) 532-9585

Comments of MONTGOMERY COUNTY, ILLINOIS
ILLINOIS COMMERCE COMMISSION WORKSHOP ON RESOURCE ADEQUACY IN
MIDCONTINENT INDEPENDENT SYSTEM OPERATOR (MISO) ZONE 4

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Hillsboro, IL

Good afternoon. My name is Megan Beeler and I am the Vice Chair of the Montgomery County Board and the Chair of the County Board Finance Committee. I would first like to express my appreciation to the Illinois Commerce Commission for holding this important hearing to examine the electric power supply issues in downstate Illinois. The current policies and market parameters are adversely affecting downstate Illinois power plants. These plants are extremely important economic drivers in each of their respective areas, areas that are by large rural and have limited employment opportunities.

The Dynegy Coffeen Power Station is located near Coffeen in Montgomery County. It has been an economic mainstay of Montgomery County for over 40 years. Today, the Coffeen Station employs over 100 of our citizens. The plant provides good, family-sustaining jobs which are among the best available in our area. The multiplier effect of these jobs is far reaching in our county. These employees mostly live in Montgomery County, reinvesting their paychecks into surrounding businesses, services and supporting other taxing districts such as the school district, community mental health board and fire protection districts. Dynegy itself also purchases supplies and services locally, increasing the multiplier effect this facility has on our region.

While we appreciate the employment Dynegy currently provides, I would be remiss if I did not point out that the Coffeen Power Station currently employs 30-50 employees less than they did 2 years ago. Due to the current market policies and parameters, we are losing jobs and people. The multiplier effect works the same way in the negative. We are losing businesses and services and tax dollars due to the decrease in employees.

Dynergy is one of the largest property taxpayers to Montgomery County and all of the tax districts that service the Coffeen Power Station. In 2016, the property taxes paid by the Coffeen Power Station to the County alone were \$742,193. This tax money provides substantial support to Montgomery County, including our Senior Social Services which encompasses Meals on Wheels and our Senior Center that feeds over 50 local residents daily; the Health Department which serves over 200 patients in their WIC program alone; the Veterans Assistance Commission which services our aging and growing veterans population; the Community Mental Health Board which provides funding for disabled persons, mental and addiction issues; the University of Illinois Extension which serves hundreds of youth through their SNAP and 4H programs; and lastly to the Corporate Government (ie the Montgomery County General Fund) which funds the daily operations of our courts, public safety and general county government mandated responsibilities.

The \$742,193 which Coffeen Power Station paid in 2016 equated to over 10% of Montgomery County's property tax collections and roughly 3% of our General Fund budget. If the Coffeen Power Station were to close, the loss would result in substantial decreases to our services. Having already lost one large employer/taxpayer in Montgomery County since 2016, we have made over \$2 million in operating cuts in the past 2 years. We are operating on the thinnest margins possible. Another substantial revenue loss will result in layoffs, decreased office hours and services rendered to the public, a decrease in public safety measures, and put an increased burden on our court system. These adverse reactions only reflect the General Fund impact. Our Senior Services, Health Department, Veterans Assistance Commission, Community Mental Health Board, Extension and Ambulance district will all be substantially injured as well should the Coffeen Power Station cease to operate.

In all, Dynergy paid over \$5.4 million in property taxes in 2016 to the districts that service the Coffeen Power Station. A loss this substantial in our rural county would be devastating to all districts concerned and to citizens throughout the county.

In addition to property taxes, the Coffeen Power Station pays sales tax on its purchases, including Illinois Use Tax on its deliveries of coal purchased out-of-state. Both Montgomery County and the State of Illinois benefit from these tax payments. In Montgomery County, we would lose over \$800,000 in annual revenue should the Coffeen Power Station cease to make the Use Tax payments. This represents another 26% of our General Fund revenue. Again, a loss we cannot hope to replace or operate without.

The impacts outlined above are only the direct impacts. The indirect and implied impacts would be devastating to our already blighted economy. The financial impact would be far reaching, but the civic impact would be just as devastating. The employees of Coffeen Power Station are solid, upstanding, involved citizens. They serve on boards, are active in civic clubs and volunteer. If the Coffeen Power Station closes, the employees will be forced to relocate to find comparable employment. All of our civic entities would suffer in their absence.

Our citizens would be extremely upset if the General Assembly and the Governor failed to act on the proposed Illinois-centered electric capacity market reforms that will provide the opportunity for the Coffeen Power Station to remain in operation. We do not fail to see the charge on our electric bills every month that the General Assembly and Governor imposed on us, the constituents, to subsidize and sustain two Exelon power stations, as well as subsidies for renewable energy sources, again mandated by the General Assembly. In return, we are requesting a level playing field for our downstate plants. We ask that you follow the precedence you established by legislating these previous subsidies and support House Bill 4141 and Senate Bill 2250. One reason Montgomery County asks you to support these proposed solutions is that they would provide for market reforms, rather than for another ratepayer-funded subsidy. These reforms improve the capacity bid process and provide for a longer-term stability by shifting away from 3 month lead times to 3 year contracts. We believe these longer contracts will provide stability to the suppliers as well as be an incentive to the plants to invest in their facilities.

As I close, I would like to thank the Commission for hosting this hearing in Hillsboro, providing a means for local stakeholders most likely impacted by the policies under discussion an opportunity to express our views.

Sincerely,

Megan I. Beeler
Finance Chair
Montgomery County Board