

# Dynegy CEO: Re-regulation in Ohio would help 'the weakest in the herd'

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[Tom Knox](#) Reporter *Columbus Business First*

Hopes for re-regulating Ohio's power industry are another example of utilities not wanting to compete, says one of the newest entrants to the state's power generation industry.

"They're used to getting what they want – big, fat margins so they can pay big dividends to shareholders," [Dynegy Inc.](#) CEO [Bob Flexon](#) told *Columbus Business First*.

[FirstEnergy Corp.](#) (NYSE:FE) CEO [Chuck Jones](#) says his Akron-based company, once a major booster of Ohio's de-regulated electricity market, [would like to go back](#) to state-controlled rates. In [an interview](#) with [Cleveland.com](#), he cited measures the company is taking to combat deregulation's impact, where old coal and nuclear plants often can't compete with newer, more-efficient power production. The most notable step is a plan, set to be heard by state regulators this month, to guarantee income on its Ohio power plants.

Columbus peer [American Electric Power Company Inc.](#) (NYSE:AEP) has [a similar proposal](#) and top executive [Nick Akins](#) says the company could sell its Ohio plants. AEP executives have not said they would support full re-regulation, but critics of the income-guarantee plans say they are a step toward it. AEP and FirstEnergy counter that they're needed to keep the plants open and will provide a long-term rate benefit for customers. [Jones says](#) the plan "ensures safe, reliable, clean and affordable power for all Ohio customers, from industrial facilities to homeowners."

Utilities typically operate in areas where power is regulated by the state – what Flexon calls a "rigged game." But Houston-based Dynegy is not a typical utility. This year it entered Ohio by taking over the Midwestern power plants owned by Duke Energy Corp. (NYSE:DUK) in [a \\$2.8 billion deal](#), and the company is clear in its opposition to utility hopes to roll back deregulation.

"Coal plants and nuclear plants in this market are losers," Flexon said. "For some reason they want to keep them. In order to keep them, they need them regulated because they can't compete."

Dynegy's own coal plants in Ohio and Illinois don't make money, but it keeps them running as long as possible to at least break even, he said. In some cases that doesn't happen – but that's how the market works.

"They're taking the weakest in the herd and putting it in the front to the benefit of the shareholders and the detriment of Ohio," Flexon said.

"(Dynegy is) absolutely outmanned, outgunned and outspent by FirstEnergy and AEP. So we're the little guy on the corner trying to tackle these two giant utilities," he said.

Flexon said he's sympathetic to the people who have to make the important decision on the plans. That's the Public Utilities Commission of Ohio. Its [new chairman Andre Porter](#) is respected among the state's energy players but he has not tipped his hat on his position on the plans.