



OHIO LEGISLATIVE SERVICE COMMISSION

Sub. Bill Comparative Synopsis

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Sub. H.B. 239

132nd General Assembly
(H. Public Utilities)

This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Topic	Previous Version (As Introduced)	Sub. Version (L-132-1270-6)
Competitive retail electric service policy regarding a "National security generation resource" (NSGR) (R.C. 4928.02(O))	Adds to the state policy, ensuring the continuing economic viability of historical investments made by EDUs in NSGRs and supporting continued investment to preserve the ongoing benefits associated with such resources.	Adds to the state policy, providing clarity in cost recovery for Ohio-based electric utilities in conjunction with NSGRs and encouraging EDU and affiliate divestiture of ownership interest in any NSGR.
Change to original purpose of an NSGR (R.C. 4928.01(A)(41))	Provides that the corporation owning the NSGR was formed for the original purpose of providing "power" to the federal government for use in the nation's defense or in furtherance of national interests, including the Ohio Valley Electric Corporation (OVEC).	Changes the original purpose to providing "capacity and electricity."

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Cost recovery of NSGR	Provides for recovery through an electric distribution utility's (EDU) standard service offer (SSO) of all costs, including any deferred costs, associated with the EDU's contractual commitments related to an NSGR (R.C. 4928.141, 4928.142(A)(2) and (B), and 4928.143(B)(1), (C)(1), and (C)(2)(b)).	Provides for recovery through an EDU's SSO of the NSGR net impacts that are calculated and recovered through the nonbypassable rate mechanism ¹ through a prudence and reasonableness review as required by the bill (see below), and defines the net impacts to mean retail recovery of prudently incurred costs related to an NSGR less any revenues realized from offering the contractual commitment related to an NSGR into the wholesale markets, provided, where, the net revenues exceed net costs, such excess revenues shall be credited to customers (R.C. 4928.01(A)(43), 4928.141, 4928.142(A)(2) and (B), 4928.143(B)(1), (C)(1), and (C)(2)(b), and 4928.147(A)).
Prudently incurred costs related to an NSGR	No provision requiring NSGR costs to be prudently incurred.	Defines prudently incurred costs related to an NSGR, for purposes of NSGR net impact, as costs, including deferred costs, allocated pursuant to a power agreement approved by the Federal Energy Regulatory Commission that relates to an NSGR, excluding (1) any added return on investment and (2) in the event of a premature retirement of an NSGR, any recovery of remaining debt (R.C. 4928.01(A)(42)).
Contractual commitment output use in SSO (R.C. 4928.141(B))	Provides that an EDU with an affiliate with a contractual commitment related to an NSGR may use the output from that commitment in its SSO. Provides that all EDUs in the same holding company may jointly use the output of the commitment in their SSOs	Provides for the affiliated EDU and the EDUs in the same holding company to use the contractual commitment in their SSOs with no reference to the "output" of the commitment.

¹ The bill only refers to a "rate mechanism." But, the cross reference is specifically to the bill's requirements regarding the "nonbypassable rate mechanism" in R.C. 4928.147.

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Affiliate NSGR contractual commitment belonged to EDU (R.C. 4928.141(B))	Requires the affiliate contractual commitment related to an NSGR to previously have been the EDU's commitment in order to be used in the EDU's SSO.	Requires the commitment to previously have been the EDU's commitment as of the effective date of the bill in order to be used in the EDU's SSO.
Recovery of affiliate share	Provides for an EDU to recover any and all costs, including any deferred costs, of the affiliate's share of the NSGR (R.C. 4928.141(B)).	No provision.
Severability clause	No provision.	Specifies that the provisions regarding the use of the contractual commitment by an affiliated EDU and EDUs in the same holding company are severable and if held invalid do not affect other provisions of the bill (Section 3).
Separate electric security plan SSO proceeding	No provision.	Permits an EDU to initiate a separate proceeding in order to implement the changes permitted by the bill regarding NSGRs as part of the EDU's electric security plan SSO (R.C. 4928.143(A)).
Nonbypassability	Provides that, if an EDU agrees to offer the contractual commitment related to the NSGR into wholesale markets with any resulting revenues being credited to the benefit of retail customers, PUCO must grant recovery, as part of a market-rate offer SSO or electric security plan SSO, on a nonbypassable basis (R.C. 4928.142(A)(2) and 4928.143(B)(1)).	Requires an EDU's market-rate offer SSO or electric security plan SSO to provide for recovery of NSGR net impacts through a nonbypassable rate mechanism established through a prudence and reasonableness review as required by the bill (see below) (R.C. 4928.142(A)(2), 4928.143(B)(1), and 4928.147(A)).

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Prudency and reasonableness review	No provision.	Requires PUCO, in establishing a nonbypassable rate mechanism for recovery of NSGR net impacts, to determine the prudence and reasonableness of the EDU's actions related to an NSGR every three years and requires PUCO to include a determination of the prudence and reasonableness of the EDU's decisions related to offering the contractual commitment into the wholesale markets (R.C. 4928.147(A)(1)).
Cost recovery rate design	No provision.	Requires PUCO to determine the proper rate design for recovering or remitting the NSGR net impact, but specifies that the monthly charge or credit for the recovery must not exceed \$2.50 per customer per month for residential customers and \$2,500 per customer per month for all other customers (R.C. 4928.147(A)(2)).
Establishment of monthly caps for nonresidential customer classes	No provision.	Specifies that PUCO establish comparable monthly caps for each nonresidential customer class at or below the \$2,500 per customer level (R.C. 4928.147(A)(2)).
Deferral of NSGR net impact	No provision.	Specifies that insofar as the NSGR net impact exceeds the monthly customer charges, the EDU must defer the remaining net impact as a regulatory asset or liability that must be recovered as determined by PUCO and subject to the monthly rate caps (R.C. 4928.147(A)(2)).



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Termination date of cost recovery mechanism	No provision.	Requires the PUCO to provide for discontinuation of the nonbypassable recovery mechanism on December 31, 2030, unless extended as provided under the bill. ² Specifies that discontinuation is subject to final reconciliation (R.C. 4928.147(A)(3)).
Inquiry regarding continuation of cost recovery mechanism	No provision.	Requires PUCO to conduct an inquiry in 2029 to determine whether it is in the public interest to continue recovery of NSGR net impacts after 2030 (R.C 4928.147(B)).
PUCO report	No provision.	Requires PUCO to report its findings regarding the inquiry to the General Assembly (R.C 4928.147(B)).

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² The nonbypassable recovery mechanism is not subject to retroactive repeal under the bill. Thus the law will remain in effect with its actual application dependent on PUCO determination after 2030. In addition, the bill does not provide for the mechanism to be extended--only that PUCO inquire about whether it should continue and to report its findings to the General Assembly. R.C. 4928.147.

