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Substitute Bill Comparative Synopsis

Sub. H.B. 6

133rd General Assembly

House Energy and Natural Resources

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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.

Previous Version (I_133_0905-14)	Latest Version (I_133_0905-17)
Definition of a clean air resource (CAR)	
Defines a CAR as an electric generating facility that produces electricity from the utilization or consumption of any form of primary energy that emits zero carbon dioxide and that meets certain criteria (<i>R.C. 3706.40(A)</i>).	Defines a CAR as an electric generating facility in this state fueled by nuclear power and that meets certain criteria (<i>R.C. 3706.40(A)</i>).
Recovery for a national security generation resource	
No provision.	Permits an electric distribution utility (EDU) to continue recovering, through 2030, its “national security generation resource net impact” (defined in the bill) after the expiration of any mechanism authorized

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	by the Public Utilities Commission (PUCO) to recover that impact. Caps the recovery at \$2.50 per month for residential customers and \$2,500 per month for other customer classes. Makes the recovery subject to audit, reconciliation, and a prudence review. Adds that it is state policy to provide clarity in cost recovery for Ohio-based EDUs in conjunction with national security generation resources and support EDU and affiliate divestiture of ownership interests in any national security generation resource if divestiture efforts result in no adverse consequences to the EDU (<i>R.C. 4928.01, 4928.02, 4928.147, and 4928.148</i>).
Renewable energy (RE) requirements	
Exempts customers from the RE charge and excludes them from the RE baseline, effectively negating the RE requirements, but allows customers to opt in to paying the RE charge (<i>R.C. 3706.47(E), 3706.471, 4928.47(B)(3), and 4928.644(B)</i>).	Repeals the RE requirements effective January 1, 2020 (<i>R.C. 1710.061, 4928.64, 4928.643, 4928.644, and 4928.65 (repealed)</i>); conforming changes in <i>R.C. 4928.01, 4928.142, 4928.143, 4928.20, 4928.61, 4928.62, 4928.645, and 5501.311; Section 10</i>).
RE contract costs: reimbursement from Ohio Clean Air Program Fund	
No provision.	Requires an EDU to apply to the Ohio Air Quality Development Authority (Authority) for reimbursement from the Ohio Clean Air Program Fund of “net costs,” defined as charges or credits constituting the ongoing costs including the charges incurred by the EDU under RE contracts, the carrying charges, less the revenue received by the EDU as a result of liquidating into competitive markets the electrical and renewable products provided to the EDU under those contracts (<i>R.C. 3706.485(A) and 4928.641(A) and (G)</i>).
RE contract costs: certification of costs	
No provision.	Requires the PUCO to annually certify the EDU’s forecasted net costs to be reimbursed from the Ohio Clean Air Program Fund (<i>R.C. 3706.485(A) and 4928.641(G)</i>).

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RE contract costs: remittance from Ohio Clean Air Program Fund	
No provision.	Requires the Authority, not later than 90 days after receiving an application, to direct the Treasurer to remit money from the Ohio Clean Air Program Fund to the EDU as reimbursement for the net costs (R.C. 3706.485(B)).
RE contract costs: recovery if Ohio Clean Air Program funds are insufficient	
No provision.	Effective January 1, 2020, requires that if the money received from the Ohio Clean Air Program Fund is insufficient to offset the EDU's net costs, then all of the EDU's prudently incurred costs associated with contractual obligations that existed prior to the bill's effective date to implement the RE requirements are recoverable from the EDU's retail customers as a distribution expense. Specifies that those costs are ongoing costs and must include costs incurred to discontinue existing programs that were implemented by the EDU under the RE requirements (R.C. 4928.641(B)).
RE costs for contracts executed before April 1, 2014: replacement with accounting mechanism	
No provision.	Effective January 1, 2020, requires that if an EDU executed a contract before April 1, 2014, to procure RE resources to implement the RE requirements, the cost recovery for that contract, which is permitted under current law, must, upon final reconciliation, be replaced with an accounting mechanism as permitted by the bill. Specifies that the accounting mechanism is effective for the remaining term of the contract and for a subsequent reconciliation period until all the prudently incurred costs associated with that contract are fully recovered (R.C. 4928.641(C)).

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RE costs for contracts executed before April 1, 2014: contract extensions and amendments	
No provision.	Effective January 1, 2020, removes the requirement that the cost recovery permitted under current law for an RE contract executed before April 1, 2014, applies only to costs associated with the original term of the contract and not contract extensions or amendments made on or after April 1, 2014 (<i>R.C. 4928.641(B) under current law</i>).
RE costs for contracts executed before April 1, 2014: bypassability	
No provision.	Effective January 1, 2020, removes the requirement that the cost recovery permitted under current law for an RE contract executed before April 1, 2014, is bypassable (<i>R.C. 4928.641(C)</i>).
RE contract costs: accounting mechanism approval	
No provision.	Requires the PUCO, not later than March 31, 2020, to approve an accounting mechanism that is reasonable and appropriate, for each EDU that demonstrates that it has incurred or will incur costs described in the bill (<i>R.C. 4928.641(D) and (F)</i>).
RE contract costs: accounting mechanism requirements	
No provision.	Requires the accounting mechanism to: <ul style="list-style-type: none"> ▪ Permit a full recovery of the EDU’s net costs, including the accounting authority for the EDU to establish and adjust regulatory assets and regulatory liabilities (<i>R.C. 4928.641(F)</i>); ▪ Reflect the forecasted annual net costs to be incurred by the EDU under each RE contract executed before April 1, 2014, subject to subsequent reconciliation to actual net costs (<i>R.C. 4928.641(E)(1)</i>); ▪ Reflect the book value of the EDU’s inventory of renewable

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	energy credits (RECs) as of the bill's effective date, over an amortization period substantially similar to the remaining term of any RE contracts executed before April 1, 2014 (<i>R.C. 4928.641(E)(2)</i>).
RE contract costs: liquidation of RECs	
No provision.	Effective January 1, 2020, requires an EDU subject to the accounting mechanism under the bill, in a timely manner, to liquidate its inventory of RECs and apply the resulting revenue against the recovery under the accounting mechanism (<i>R.C. 4928.641(E)(3)</i>).
RE contract costs: regulatory assets, regulatory liabilities, and carrying charge	
No provision.	Requires the accounting mechanism to include the accounting authority for the EDU to establish and adjust regulatory assets and regulatory liabilities. Entitles the EDU to collect a carrying charge on those regulatory assets on January 1, 2020, and continuing until the regulatory asset is completely recovered (<i>R.C. 4928.641(F)</i>).
RE contract costs: carrying charge to include the cost of capital	
No provision.	Requires the carrying charge to include the EDU's cost of capital including the most recent authorized rate of return on equity (<i>R.C. 4928.641(F)</i>).
RE contract costs: application of carrying charge	
No provision.	Requires the carrying charge to be applied to any regulatory liability created as a result of the cost recovery mechanism (<i>R.C. 4928.641(F)</i>).

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RE contract costs: subsequent rate proceedings	
No provision.	Requires the PUCO, in each subsequent distribution-rate or electric-security-plan proceeding involving the EDU, to permit recovery as a distribution expense of the regulatory assets existing at that time until the EDU's net costs are fully recovered. Requires these costs to be assigned to each customer class using the base distribution revenue allocation (<i>R.C. 4928.641(F)</i>).
RE contract costs: crediting revenue received from the Ohio Clean Air Program Fund	
No provision.	Effective January 1, 2020, requires the PUCO to credit any revenue received by the EDU from the Ohio Clean Air Program Fund against the net costs that would otherwise be recovered through the EDU's rates (<i>R.C. 4928.641(G)</i>).
Township referendum for wind farms subject to Power Siting Board jurisdiction	
No provision.	Establishes a procedure for electors in the unincorporated areas of a township to submit a referendum petition to approve or reject a certificate issued by the Power Siting Board for a wind farm that is to be located in whole or in part in the township. Provides that the certificate is invalid if rejected at the referendum by electors from all participating townships. Requires the Power siting Board to modify the certificate if not all participating townships' electors reject the certificate. Applies the referendum only to Major Utility Wind Farms (50 or more megawatts) and Economically Significant Wind Farms (5 to less than 50 megawatts, except for those that are 5 to less than 20 megawatts that meet certain requirements). (<i>R.C. 519.214, 4906.10, 4906.101, 4906.13, 4906.20, 4906.201, 4906.203.</i>)

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Tariff applicable to county fairs and agricultural societies: fee or charge	
No provision.	Requires each EDU to file a tariff with the PUCO applicable to county fairs and agricultural societies that includes either of the following: <ul style="list-style-type: none"> ▪ A fixed monthly service fee; ▪ An energy charge on a kilowatt-hour basis (<i>R.C. 4928.80(A)</i>). Prohibits the “minimum monthly charge” from exceeding the fixed monthly service fee (<i>R.C. 4928.80(B)</i>).
Tariff applicable to county fairs and agricultural societies: demand-based riders	
No provision.	Prohibits a customer that the tariff is applied to from being subject to any demand-based riders (<i>R.C. 4928.80(B)</i>).
Tariff applicable to county fairs and agricultural societies: EDU revenue loss	
No provision.	Requires an EDU to be eligible to recover any revenue loss associated with the migration of customers to this new tariff (<i>R.C. 4928.80(C)</i>).
Ohio Clean Air Program sunset	
No provision.	Terminates the Ohio Clean Air Program on December 31, 2026 (<i>R.C. 3706.42(A), 3706.47, and 3706.50</i>).
CAR criteria: interconnection to PJM	
Requires that if a CAR is designed for, or capable of, operation at an aggregate capacity of more than 20 megawatts, the facility must be interconnected with the transmission grid that is subject to operational control of PJM Interconnection, L.L.C., or its successor organization (<i>R.C. 3706.40(A)(4)</i>).	Requires a CAR to be interconnected with the transmission grid regardless of its capacity (<i>R.C. 3706.40(A)(4)</i>).

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CAR criteria: type of facility	
<p>Requires a CAR to be any of the following:</p> <ul style="list-style-type: none"> ▪ A major utility facility in this state; ▪ An economically significant wind farm in this state; ▪ A small wind farm in this state. <p><i>(R.C. 3706.40(A)(5)).</i></p>	<p>Requires a CAR to be a major utility facility in this state <i>(R.C. 3706.40(A)(5)).</i></p>
Elimination of reduced emissions resources' eligibility for the Ohio Clean Air Program	
<p>Allows reduced emissions resources to participate in the Ohio Clean Air Program <i>(R.C. 3706.40(B), 3706.42, 3706.44, 3706.45, 3706.48, and 3706.49).</i></p>	<p>No provision.</p>
Ohio Clean Air Program audit	
<p>Requires the Authority to annually conduct an audit of the Ohio Clean Air Program <i>(R.C. 3706.50(A)).</i></p>	<p>Requires the Authority to conduct an annual audit of the Ohio Clean Air Program in years 2021, 2022, 2023, 2024, 2025, 2026, and 2027 <i>(R.C. 3706.50(A)).</i></p>
Clean air credit price	
<p>Requires the clean air credit price to be \$9 in the first program year and permits the price to be adjusted for inflation in subsequent program years <i>(R.C. 3706.482(B)).</i></p>	<p>Requires the clean air credit price to be \$9 in each program year <i>(R.C. 3706.482(B)).</i></p>
Per-account monthly charges: sunset	
<p>No provision.</p>	<p>Terminates the per-account monthly charges on December 31, 2026 <i>(R.C. 3706.47).</i></p>

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Per-account monthly charges: residential customers	
For the year 2021 and each year thereafter: \$2.50/month (R.C. 3706.47(B)(1)).	For 2021 through 2026: \$1.00/month (R.C. 3706.47(B)(1)).
Per-account monthly charges: most commercial customers	
<p>Requires the PUCO, not later than October 1, 2019, to establish the structure and design of a per-account monthly charge that is on average:</p> <ul style="list-style-type: none"> ▪ For the year 2020: \$15/month; ▪ For the year 2021 and each year thereafter: \$20/month. (R.C. 3706.47(B)(2).) 	<p>Specifies that the customers are subject to <i>a charge that is determined by a structure and design that the PUCO must, not later than October 1, 2019, establish. Requires the structure and design of the charge to be such that the average charge across all customers subject to the charge is:</i></p> <ul style="list-style-type: none"> ▪ For the year 2020: \$10/month; and ▪ For years 2021 through 2026: \$15/month. (R.C. 3706.47(B)(2).)
Per-account monthly charges: most industrial customers	
Requires the PUCO, not later than October 1, 2019, to establish the structure and design of a per-account monthly charge that is on average \$250 (R.C. 3706.47(B)(3)).	Specifies that the customers are subject to <i>a charge that is determined by a structure and design that the PUCO must, not later than October 1, 2019, establish. Requires the structure and design of the charge to be such that the average charge across all customers subject to the charge is \$250. (R.C. 3706.47(B)(3)).</i>
Double recovery based on credits	
Prohibits a certified CAR that receives a clean air credit from receiving a REC for the same megawatt hour of electricity, but clarifies that this should not be construed as to prohibit the CAR from purchasing or selling a REC in another state (R.C. 3706.484).	No provision.

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Sale, purchase, holding, or retirement of RECs by the Authority	
Allows the Authority to annually purchase, sell, hold, or retire any REC produced by RE resources in Ohio with any funds remaining in the Ohio Clean Air Program Fund after the funds are used to provide the required benefits to CARs (<i>R.C. 4928.646</i>).	No provision.
Failure to comply with energy efficiency/peak demand reduction (EE/PDR) requirements	
No provision.	Removes, from the forfeiture assessment for a failure to comply with the EE/PDR requirements, the ability for the PUCO to assess a forfeiture in an amount equal to the existing value of one REC per megawatt hour of noncompliance or under compliance (<i>R.C. 4928.66(C)</i>).
Requirement on owners or lessees of certain energy projects to offer to sell power or RECs	
No provision.	Removes the requirement of an owner or lessee under a sale and leaseback transaction of an energy project qualifying for a personal property tax exemption to offer to sell power or RECs from the project to EDUs or electric service companies (<i>R.C. 5727.75(F)(8)</i>).
Special improvement districts: plans for public improvements or public services	
No provision.	Removes, from the provisions that may be included in plans for public improvements or public services, the aggregation of RECs generated by one or more special energy improvement projects within a special improvement district (<i>R.C. 1710.06(A)(7)</i>).

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Decoupling mechanism	
Prohibits the PUCO from approving a decoupling mechanism under the bill if it determines that approval will result in double recovery by the EDU (<i>R.C. 4928.471(D)</i>).	Prohibits the PUCO from approving an application for a decoupling mechanism under the bill if it determines that approval will result in double recovery by the EDU, unless the EDU cures the double recovery (<i>R.C. 4928.471(D)</i>).
Third Frontier Commission electric grid storage research	
Requires the Third Frontier Commission to create a program and pledge \$25 million for research of battery technology for electric grid storage. Requires the pledged funds to be used only for research in Ohio and that anything produced from the research must be manufactured in Ohio (<i>R.C. 184.121</i>).	No provision.
State policy: Ohio Air Quality Development Authority	
<p>Declares that it is state policy through the operations of the Authority to:</p> <ul style="list-style-type: none"> ▪ Encourage reduced emissions resources to lower the resources' emissions (<i>R.C. 3706.03(A)(7)</i>); and ▪ Encourage the operation and development of noncertified clean air resources that provide carbon-dioxide-free electric energy generation (<i>R.C. 3706.03(A)(6)</i>). 	No provision.