



Ohio Legislative Service Commission

Synopsis of House Committee Amendments*

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Sub. S.B. 310

130th General Assembly
(H. Public Utilities)

The amendments adopted by the House committee make the following changes to the bill:

Baseline for qualified renewable energy benchmarks

Permits an EDU (electric distribution utility) or ESC (electric services company) to choose for its baseline for compliance with the qualified renewable energy resource requirements to be the average of total kilowatt hours sold to applicable consumers in the preceding three calendar years (continuing law), or, beginning with compliance year 2014, the total kilowatt hours sold to applicable consumers in the applicable compliance year.

Permits an EDU or ESC choosing to use the compliance year baseline to switch back to using the three-year baseline under continuing law; however, if the EDU or ESC switches, it must use that baseline for three years before again using the compliance year baseline.

Permits the PUCO to reduce the compliance year baseline to adjust for new economic growth in the EDU's certified territory or in the ESC's service area in Ohio just as it may reduce the three-year baseline under continuing law.

Recovery of ongoing contract costs for renewable energy resources

Specifies that cost recovery under contracts executed by an EDU before April 1, 2014, to procure renewable energy resources is to continue on a bypassable basis until the *prudently incurred* costs associated with that contract are fully recovered.

Run-of-the-river hydroelectric facility

Permits energy produced by a run-of-the-river hydroelectric facility placed in service on or after January 1, 1980, that is located in Ohio, relies upon the Ohio river, and operates, or is rated to operate, at an aggregate capacity of 40 or more megawatts to

* This synopsis does not address amendments that may have been adopted on the House Floor.

be counted as a renewable energy resource for the purposes of (1) the renewable energy requirements (including the use of renewable energy credits), (2) advanced energy projects funded by the Ohio Air Quality Development Authority, and (3) the Advanced Energy Program administered by the Director of the Development Services Agency.

Hydroelectric power

Restores current law that defines renewable energy resource to include "power" (instead of "energy") produced by a hydroelectric facility for purposes of (1) the renewable energy requirements (including the use of renewable energy credits), (2) advanced energy projects funded by the Ohio Air Quality Development Authority, and (3) the Advanced Energy Program administered by the Director of the Development Services Agency.

Entities from which renewable energy credits may be acquired

Specifies that an owner or operator of a hydroelectric generating facility that "produces power that can be shown to be deliverable into this state" qualifies as an entity from whom renewable energy credits may be purchased, rather than a hydroelectric facility that "produces energy that is deliverable into the regional transmission organization."

Change-of-law provision required in contracts

Removes a provision that would have required every contract to procure renewable energy resources or renewable energy credits, entered into by an EDU or an ESC on or after the bill's effective date, to contain a change-of-law provision stating that the parties to the contract are released from their obligations under the contract if there is a change in the renewable energy resource requirements.

Counting of energy efficiency savings and peak demand reduction

Removes a provision that (1) would have required the PUCO to recognize and count all energy efficiency savings and peak demand reduction that are physically located within the certified territory of the EDU and are bid into the regional transmission organization capacity auctions as energy efficiency resources and demand response resources toward the peak demand reduction requirements, and (2) would have prohibited such energy efficiency or peak demand reduction for qualifying for shared savings.

Prohibits energy efficiency or peak demand reduction achieved through transmission and distribution infrastructure improvements that reduce line losses from qualifying for shared savings.

Priority service to hospitals

Requires an EDU's service restoration plan to give priority to hospitals that are customers of the EDU in the event of an interruption of electric service during a period of emergency or disaster.

Requires the EDU, upon request, to confer at least biennially with the hospital regarding power quality issues and concerns related to the utility's facilities, including voltage sags, spikes, and harmonic disturbances, in an effort to minimize those events or their impact on the hospital.

Requires the PUCO to adopt rules to carry out this provision.

Percentage of income payment plan program

Specifies that rules adopted by the Director of Development Services regarding the Percentage of Income Payment Plan program are to prohibit the imposition of a waiting period before enrolling an eligible customer in the program.

Contents of Energy Mandates Study Committee report

Requires the Energy Mandates Study Committee report to additionally include the following:

- A recommendation on whether costs incurred by an EDU or an ESC pursuant to any contract entered into by the EDU or ESC on or after the bill's effective date for the purpose of procuring renewable energy resources or renewable energy credits and complying with the bill's renewable energy requirements, may be passed through to any consumer, if such costs could have been avoided with the inclusion of a change of law provision in the contract;
- An assessment of the environmental impact of the renewable energy, energy efficiency, and peak demand reduction mandates on reductions of greenhouse gas and fossil fuel emissions;
- A review of payments made by EDUs to third-party administrators to promote energy efficiency and peak demand reduction programs under the terms of the utilities' portfolio plans.

Requires the review of payments to third-party administrators (above) to include, a complete analysis of all fixed and variable payments made to those administrators since the effective date of S.B. 221 of the 127th General Assembly, jobs created, retained, and impacted, whether those payments outweigh the benefits to ratepayers, and whether those payments should no longer be recovered from



ratepayers; requires the review to also include a recommendation regarding whether the administrators should submit periodic reports to the PUCO documenting the payments received from utilities.

Customer opt-out reporting

Modifies the requirement that a customer opting out of an EDU's portfolio plan—either under the long-term or temporary opt-out provisions—submit reports to the PUCO that summarize the energy efficiency and peak demand reduction measures implemented by the customer and the cumulative savings and reductions achieved as follows:

- Requires the customer to submit an initial report not later than 60 days after the effective date of the customer's election to opt out;
- Requires the customer to (1) with respect to the long-term opt-out, file an updated report at least biennially (rather than triennially) thereafter, and (2) with respect to the temporary opt-out, file one updated report not later than November 1, 2016;
- Requires the initial reports to summarize the projects, actions, policies, or practices that the customer may consider implementing, based on the customer's cost-effectiveness criteria, for the purpose of reducing energy intensity;
- Defines "energy intensity" to mean the amount of energy, from electricity, used or consumed per unit of production;
- Requires the updates to include a general description of any cumulative amount of energy-intensity reductions achieved by the customer during the period beginning on the effective date of the election to opt out and ending not later than 60 days prior to the date that the update is submitted;
- Permits the PUCO to suspend the long-term opt-out for the period of time that it takes the customer to achieve the cumulative reduction in energy intensity identified by the customer but no longer, if the PUCO finds, after notice and a hearing, that the customer has failed to achieve any substantial cumulative reduction identified by the customer in an updated report and if the failure is not excusable for good cause shown by the customer.

Higher voltage and consumption customer opt-out of portfolio plans

Removes the specification that the customers of an EDU that may opt out of the utility's portfolio plan be *retail* customers.

Technical

Makes technical changes.

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