As Introduced

131st General Assembly

Regular Session 2015-2016

H. B. No. 472

Representative Strahorn

Cosponsors: Representatives O'Brien, M., Ramos, Howse, Curtin, Antonio, Driehaus, Patterson, Rogers, Phillips, Boyce, Smith, K., Fedor

A BILL

Го	amend sections 4906.20, 4906.201, 4928.64, and	1
	4928.66 of the Revised Code and to amend Section	2
	5 of S.B. 310 of the 130th General Assembly and	3
	to repeal Sections 6 and 7 of S.B. 310 of the	4
	130th General Assembly to unfreeze the	5
	requirements for renewable energy, energy	6
	efficiency, and peak demand reduction, to permit	7
	changes in and Public Utilities Commission	8
	action on electric distribution utility	9
	portfolio plans in 2016, to revise the setback	10
	requirement for economically significant wind	11
	farms, and to repeal the setback requirement for	12
	wind farms of fifty megawatts or more.	13

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 4906.20, 4906.201, 4928.64, and	14
4928.66 of the Revised Code be amended to read as follows:	15
Sec. 4906.20. (A) No person shall commence to construct an	16
economically significant wind farm in this state without first	17
having obtained a certificate from the power siting board. An	18

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economically significant wind farm with respect to which such a	19
certificate is required shall be constructed, operated, and	20
maintained in conformity with that certificate and any terms,	21
conditions, and modifications it contains. A certificate shall	22
be issued only pursuant to this section. The certificate may be	23
transferred, subject to the approval of the board, to a person	24
that agrees to comply with those terms, conditions, and	25
modifications.	26

- (B) The board shall adopt rules governing the 27 certificating of economically significant wind farms under this 28 section. Initial rules shall be adopted within one hundred 29 twenty days after June 24, 2008. 30
- (1) The rules shall provide for an application process for 31 certificating economically significant wind farms that is 32 identical to the extent practicable to the process applicable to 33 certificating major utility facilities under sections 4906.06, 34 4906.07, 4906.08, 4906.09, 4906.10, 4906.11, and 4906.12 of the 35 Revised Code and shall prescribe a reasonable schedule of 36 application filing fees structured in the manner of the schedule 37 of filing fees required for major utility facilities. 38
- (2) Additionally, the rules shall prescribe reasonable 39 regulations regarding any wind turbines and associated 40 facilities of an economically significant wind farm, including, 41 but not limited to, their location, erection, construction, 42 reconstruction, change, alteration, maintenance, removal, use, 43 or enlargement and including erosion control, aesthetics, 44 recreational land use, wildlife protection, interconnection with 45 power lines and with regional transmission organizations, 46 independent transmission system operators, or similar 47 organizations, ice throw, sound and noise levels, blade shear, 48

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shadow flicker, decommissioning, and necessary cooperation for 49 site visits and enforcement investigations. 50

- (a) The rules also shall prescribe a minimum setback for a wind turbine of an economically significant wind farm. That minimum shall be equal to a horizontal distance, from the turbine's base to the property line of the wind farm property, equal to one and one-tenth times the total height of the turbine structure as measured from its base to the tip of its highest blade and be at least one thousand one hundred twenty-five feet in horizontal distance from the tip of the turbine's nearest blade at ninety degrees to property line the exterior of the nearest, habitable, residential structure, if any, located on adjacent property at the time of the certification application.
- (b) (i) For any existing certificates and amendments thereto, and existing certification applications that have been found by the chairperson to be in compliance with division (A) of section 4906.06 of the Revised Code before the effective date of the amendment of this section by H.B. 59 of the 130th general assembly, September 29, 2013, the distance shall be seven hundred fifty feet instead of one thousand one hundred twenty-five feet.

(ii) Any amendment made to an existing certificate after the effective date of the amendment of this section by H.B. 483 of the 130th general assembly and before the effective date of the amendment of this section by ...B... of the 131st general assembly shall be subject to the setback provision of this section as amended by that actH.B. 483. The amendments to this section by that act H.B. 483 shall not be construed to limit or abridge any rights or remedies in equity or under the common law.

(iii) Any amendment made to an existing certificate after	79
the effective date of the amendment of this section byB	80
of the 131st general assembly shall be subject to the setback	81
provision of this section as amended by that act. The amendments	82
to this section by that act shall not be construed to limit or	83
abridge any rights or remedies in equity or under the common	84
law.	85
(c) The setback shall apply in all cases except those in	86
which all owners of property adjacent to the wind farm property	87
waive application of the setback to that property pursuant to a	88
procedure the board shall establish by rule and except in which,	89
in a particular case, the board determines that a setback	90
greater than the minimum is necessary.	91
Sec. 4906.201. (A) An electric generating plant that	92
consists of wind turbines and associated facilities with a	93
single interconnection to the electrical grid that is designed	94
for, or capable of, operation at an aggregate capacity of fifty	95
megawatts or more is subject to the minimum setback requirements	96
established in rules adopted by the power siting board under	97
division (B)(2) of section 4906.20 of the Revised Code.	98
(B)(1) For any existing certificates and amendments	99
thereto, and existing certification applications that have been	100
found by the chairperson to be in compliance with division (A)	101
of section 4906.06 of the Revised Code before the effective date	102
of the amendment of this section by H.B. 59 of the 130th general	103
assembly, September 29, 2013, the distance shall be seven	104
hundred fifty feet instead of one thousand one hundred twenty-	105
five feet.	106
(2) Any amendment made to an existing certificate after	107

the effective date of the amendment of this section by H.B. 483

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of the 130th general assembly, <u>September 15, 2014, and before</u>	109
the effective date of the amendment of this section byB	110
of the 131st general assembly shall be subject to the setback	111
provision of this section as amended by that actH.B. 483. The	112
amendments to this section by that act H.B. 483 shall not be	113
construed to limit or abridge any rights or remedies in equity	114
or under the common law.	115
(3) Any amendment made to an existing certificate after	116
the effective date of the amendment of this section byB	117
of the 131st general assembly shall be subject to the setback	118
provision of this section as amended by that act. The amendments	119
to this section by that act shall not be construed to limit or	120
abridge any rights or remedies in equity or under the common	121
<pre>law.</pre>	122
Sec. 4928.64. (A)(1) As used in this section, "qualifying	123
renewable energy resource" means a renewable energy resource, as	124
renewable energy resource" means a renewable energy resource, as	124
renewable energy resource" means a renewable energy resource, as defined in section 4928.01 of the Revised Code that has a	124 125
renewable energy resource" means a renewable energy resource, as defined in section 4928.01 of the Revised Code that has a placed-in-service date on or after January 1, 1998, or with	124 125 126
renewable energy resource" means a renewable energy resource, as defined in section 4928.01 of the Revised Code that has a placed-in-service date on or after January 1, 1998, or with respect to any run-of-the-river hydroelectric facility, an in-	124 125 126 127
renewable energy resource" means a renewable energy resource, as defined in section 4928.01 of the Revised Code that has a placed-in-service date on or after January 1, 1998, or with respect to any run-of-the-river hydroelectric facility, an inservice date on or after January 1, 1980; a renewable energy	124 125 126 127 128
renewable energy resource" means a renewable energy resource, as defined in section 4928.01 of the Revised Code that has a placed-in-service date on or after January 1, 1998, or with respect to any run-of-the-river hydroelectric facility, an inservice date on or after January 1, 1980; a renewable energy resource created on or after January 1, 1998, by the	124 125 126 127 128 129
renewable energy resource" means a renewable energy resource, as defined in section 4928.01 of the Revised Code that has a placed-in-service date on or after January 1, 1998, or with respect to any run-of-the-river hydroelectric facility, an inservice date on or after January 1, 1980; a renewable energy resource created on or after January 1, 1998, by the modification or retrofit of any facility placed in service prior	124 125 126 127 128 129
renewable energy resource" means a renewable energy resource, as defined in section 4928.01 of the Revised Code that has a placed-in-service date on or after January 1, 1998, or with respect to any run-of-the-river hydroelectric facility, an inservice date on or after January 1, 1980; a renewable energy resource created on or after January 1, 1998, by the modification or retrofit of any facility placed in service prior to January 1, 1998; or a mercantile customer-sited renewable	124 125 126 127 128 129 130
renewable energy resource" means a renewable energy resource, as defined in section 4928.01 of the Revised Code that has a placed-in-service date on or after January 1, 1998, or with respect to any run-of-the-river hydroelectric facility, an inservice date on or after January 1, 1980; a renewable energy resource created on or after January 1, 1998, by the modification or retrofit of any facility placed in service prior to January 1, 1998; or a mercantile customer-sited renewable energy resource, whether new or existing, that the mercantile	124 125 126 127 128 129 130 131
renewable energy resource" means a renewable energy resource, as defined in section 4928.01 of the Revised Code that has a placed-in-service date on or after January 1, 1998, or with respect to any run-of-the-river hydroelectric facility, an inservice date on or after January 1, 1980; a renewable energy resource created on or after January 1, 1998, by the modification or retrofit of any facility placed in service prior to January 1, 1998; or a mercantile customer-sited renewable energy resource, whether new or existing, that the mercantile customer commits for integration into the electric distribution	124 125 126 127 128 129 130 131 132
renewable energy resource" means a renewable energy resource, as defined in section 4928.01 of the Revised Code that has a placed-in-service date on or after January 1, 1998, or with respect to any run-of-the-river hydroelectric facility, an inservice date on or after January 1, 1980; a renewable energy resource created on or after January 1, 1998, by the modification or retrofit of any facility placed in service prior to January 1, 1998; or a mercantile customer-sited renewable energy resource, whether new or existing, that the mercantile customer commits for integration into the electric distribution utility's demand-response, energy efficiency, or peak demand	124 125 126 127 128 129 130 131 132 133
renewable energy resource" means a renewable energy resource, as defined in section 4928.01 of the Revised Code that has a placed-in-service date on or after January 1, 1998, or with respect to any run-of-the-river hydroelectric facility, an inservice date on or after January 1, 1980; a renewable energy resource created on or after January 1, 1998, by the modification or retrofit of any facility placed in service prior to January 1, 1998; or a mercantile customer-sited renewable energy resource, whether new or existing, that the mercantile customer commits for integration into the electric distribution utility's demand-response, energy efficiency, or peak demand reduction programs as provided under division (A)(2)(c) of	124 125 126 127 128 129 130 131 132 133 134

(a) A resource that has the effect of improving the

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relationship between real and reactive power;	139
(b) A resource that makes efficient use of waste heat or	140
other thermal capabilities owned or controlled by a mercantile	141
customer;	142
(c) Storage technology that allows a mercantile customer	143
more flexibility to modify its demand or load and usage	144
characteristics;	145
(d) Electric generation equipment owned or controlled by a	146
mercantile customer that uses a renewable energy resource.	147
(2) For the purpose of this section and as it considers	148
appropriate, the public utilities commission may classify any	149
new technology as such a qualifying renewable energy resource.	150
(B)(1) By 2027 2026 and thereafter, an electric	151
distribution utility shall provide from qualifying renewable	152
energy resources, including, at its discretion, qualifying	153
renewable energy resources obtained pursuant to an electricity	154
supply contract, a portion of the electricity supply required	155
for its standard service offer under section 4928.141 of the	156
Revised Code, and an electric services company shall provide a	157
portion of its electricity supply for retail consumers in this	158
state from qualifying renewable energy resources, including, at	159
its discretion, qualifying renewable energy resources obtained	160
pursuant to an electricity supply contract. That portion shall	161
equal twelve and one-half per cent of the total number of	162
kilowatt hours of electricity sold by the subject utility or	163
company to any and all retail electric consumers whose electric	164
load centers are served by that utility and are located within	165
the utility's certified territory or, in the case of an electric	166
services company, are served by the company and are located	167

within this state. However, nothing in this section precludes a 168 utility or company from providing a greater percentage. 169

(2) The portion required under division (B)(1) of this 170

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section shall be generated from renewable energy resources, including one-half per cent from solar energy resources, in accordance with the following benchmarks:

By end of year	Renewable energy	Solar energy	174
	resources	resources	175
2009	0.25%	0.004%	176
2010	0.50%	0.010%	177
2011	1%	0.030%	178
2012	1.5%	0.060%	179
2013	2%	0.090%	180
2014	2.5%	0.12%	181
2015	2.5%	0.12%	182
2016	2.5 3.5%	0.12 <u>0.15</u> %	183
2017	3.5 4.5%	0.15 <u>0.18</u> %	184
2018	4.5 5.5%	0.18 <u>0.22</u> %	185
2019	5.5 6.5%	0.22 <u>0.26</u> %	186
2020	6.5 7.5%	0.26 <u>0.3</u> %	187
2021	7.5 8.5%	0.3 <u>0.34</u> %	188
2022	8.5 9.5%	0.340.38%	189
2023	9.5 10.5%	0.38 <u>0.42</u> %	190
2024	10.5 11.5%	0.42 <u>0.46</u> %	191
2025 and each calendar	11.5 12.5%	0.46 <u>0.5</u> %	192
2026 and each calendar	12.5%	0.5%.	193
year thereafter			194

(3) The qualifying renewable energy resources implemented 195

by the utility or company shall be met either:

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(a) Through facilities located in this state; or	197
(b) With resources that can be shown to be deliverable	198
into this state.	199
(C)(1) The commission annually shall review an electric	200
distribution utility's or electric services company's compliance	201
with the most recent applicable benchmark under division (B)(2)	202
of this section and, in the course of that review, shall	203
identify any undercompliance or noncompliance of the utility or	204
company that it determines is weather-related, related to	205
equipment or resource shortages for qualifying renewable energy	206
resources as applicable, or is otherwise outside the utility's	207
or company's control.	208
(2) Subject to the cost cap provisions of division (C)(3)	209
of this section, if the commission determines, after notice and	210
opportunity for hearing, and based upon its findings in that	211
review regarding avoidable undercompliance or noncompliance, but	212
subject to division (C)(4) of this section, that the utility or	213
company has failed to comply with any such benchmark, the	214
commission shall impose a renewable energy compliance payment on	215
the utility or company.	216
(a) The compliance payment pertaining to the solar energy	217
resource benchmarks under division (B)(2) of this section shall	218
be an amount per megawatt hour of undercompliance or	219
noncompliance in the period under review, as follows:	220
(i) Three hundred dollars for 2014, 2015, and 2016;	221
(ii) Two hundred fifty dollars for 2017 and 2018;	222
(iii) Two hundred dollars for 2019 and 2020;	223
(iv) Similarly reduced every two years thereafter through	224

2026 2025 by fifty dollars, to a minimum of fifty dollars.	225
(b) The compliance payment pertaining to the renewable	226
energy resource benchmarks under division (B)(2) of this section	227
shall equal the number of additional renewable energy credits	228
that the electric distribution utility or electric services	229
company would have needed to comply with the applicable	230
benchmark in the period under review times an amount that shall	231
begin at forty-five dollars and shall be adjusted annually by	232
the commission to reflect any change in the consumer price index	233
as defined in section 101.27 of the Revised Code, but shall not	234
be less than forty-five dollars.	235
(c) The compliance payment shall not be passed through by	236
the electric distribution utility or electric services company	237
to consumers. The compliance payment shall be remitted to the	238
commission, for deposit to the credit of the advanced energy	239
fund created under section 4928.61 of the Revised Code. Payment	240
of the compliance payment shall be subject to such collection	241
and enforcement procedures as apply to the collection of a	242
forfeiture under sections 4905.55 to 4905.60 and 4905.64 of the	243
Revised Code.	244
(3) An electric distribution utility or an electric	245
services company need not comply with a benchmark under division	246
(B)(2) of this section to the extent that its reasonably	247
expected cost of that compliance exceeds its reasonably expected	248
cost of otherwise producing or acquiring the requisite	249
electricity by three per cent or more. The cost of compliance	250
shall be calculated as though any exemption from taxes and	251
assessments had not been granted under section 5727.75 of the	252
Revised Code.	253
(4)(a) An electric distribution utility or electric	254

services company may request the commission to make a force	255
majeure determination pursuant to this division regarding all or	256
part of the utility's or company's compliance with any minimum	257
benchmark under division (B)(2) of this section during the	258
period of review occurring pursuant to division (C)(2) of this	259
section. The commission may require the electric distribution	260
utility or electric services company to make solicitations for	261
renewable energy resource credits as part of its default service	262
before the utility's or company's request of force majeure under	263
this division can be made.	264

- (b) Within ninety days after the filing of a request by an 265 electric distribution utility or electric services company under 266 division (C)(4)(a) of this section, the commission shall 267 determine if qualifying renewable energy resources are 2.68 reasonably available in the marketplace in sufficient quantities 269 for the utility or company to comply with the subject minimum 270 benchmark during the review period. In making this 271 determination, the commission shall consider whether the 272 electric distribution utility or electric services company has 273 made a good faith effort to acquire sufficient qualifying 274 renewable energy or, as applicable, solar energy resources to so 275 comply, including, but not limited to, by banking or seeking 276 renewable energy resource credits or by seeking the resources 277 through long-term contracts. Additionally, the commission shall 278 consider the availability of qualifying renewable energy or 279 solar energy resources in this state and other jurisdictions in 280 the PJM interconnection regional transmission organization, 281 L.L.C., or its successor and the midcontinent independent system 282 operator or its successor. 283
- (c) If, pursuant to division (C)(4)(b) of this section, 284 the commission determines that qualifying renewable energy or 285

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solar energy resources are not reasonably available to permit	286
the electric distribution utility or electric services company	287
to comply, during the period of review, with the subject minimum	288
benchmark prescribed under division (B)(2) of this section, the	289
commission shall modify that compliance obligation of the	290
utility or company as it determines appropriate to accommodate	291
the finding. Commission modification shall not automatically	292
reduce the obligation for the electric distribution utility's or	293
electric services company's compliance in subsequent years. If	294
it modifies the electric distribution utility or electric	295
services company obligation under division (C)(4)(c) of this	296
section, the commission may require the utility or company, if	297
sufficient renewable energy resource credits exist in the	298
marketplace, to acquire additional renewable energy resource	299
credits in subsequent years equivalent to the utility's or	300
company's modified obligation under division (C)(4)(c) of this	301
section.	302

(5) The commission shall establish a process to provide 303 for at least an annual review of the renewable energy resource 304 market in this state and in the service territories of the 305 regional transmission organizations that manage transmission 306 systems located in this state. The commission shall use the 307 results of this study to identify any needed changes to the 308 amount of the renewable energy compliance payment specified 309 under divisions (C)(2)(a) and (b) of this section. Specifically, 310 the commission may increase the amount to ensure that payment of 311 compliance payments is not used to achieve compliance with this 312 section in lieu of actually acquiring or realizing energy 313 derived from qualifying renewable energy resources. However, if 314 315 the commission finds that the amount of the compliance payment should be otherwise changed, the commission shall present this 316

finding to the general assembly for legislative enactment.	317
(D) The commission annually shall submit to the general	318
assembly in accordance with section 101.68 of the Revised Code a	319
report describing all of the following:	320
(1) The compliance of electric distribution utilities and	321
electric services companies with division (B) of this section;	322
creetile services companies with division (b) of this section,	522
(2) The average annual cost of renewable energy credits	323
purchased by utilities and companies for the year covered in the	324
report;	325
(3) Any strategy for utility and company compliance or for	326
encouraging the use of qualifying renewable energy resources in	327
supplying this state's electricity needs in a manner that	328
considers available technology, costs, job creation, and	329
economic impacts.	330
The commission shall begin providing the information	331
described in division (D)(2) of this section in each report	332
submitted after September 10, 2012. The commission shall allow	333
and consider public comments on the report prior to its	334
submission to the general assembly. Nothing in the report shall	335
be binding on any person, including any utility or company for	336
the purpose of its compliance with any benchmark under division	337
(B) of this section, or the enforcement of that provision under	338
division (C) of this section.	339
(E) All costs incurred by an electric distribution utility	340
in complying with the requirements of this section shall be	341
bypassable by any consumer that has exercised choice of supplier	342
under section 4928.03 of the Revised Code.	343
Sec. 4928.66. (A)(1)(a) Beginning in 2009, an electric	344
distribution utility shall implement energy efficiency programs	345
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that achieve energy savings equivalent to at least three-tenths	346
of one per cent of the total, annual average, and normalized	347
kilowatt-hour sales of the electric distribution utility during	348
the preceding three calendar years to customers in this state.	349
An energy efficiency program may include a combined heat and	350
power system placed into service or retrofitted on or after the	351
effective date of the amendment of this section by S.B. 315 of	352
the 129th general assembly, September 10, 2012, or a waste	353
energy recovery system placed into service or retrofitted on or	354
after September 10, 2012, except that a waste energy recovery	355
system described in division (A)(38)(b) of section 4928.01 of	356
the Revised Code may be included only if it was placed into	357
service between January 1, 2002, and December 31, 2004. For a	358
waste energy recovery or combined heat and power system, the	359
savings shall be as estimated by the public utilities	360
commission. The savings requirement, using such a three-year	361
average, shall increase to an additional five-tenths of one per	362
cent in 2010, seven-tenths of one per cent in 2011, eight-tenths	363
of one per cent in 2012, nine-tenths of one per cent in 2013,	364
and one per cent in 2014. In 2015 and 2016 , an electric	365
distribution utility shall achieve energy savings equal to the	366
result of subtracting the cumulative energy savings achieved	367
since 2009 from the product of multiplying the baseline for	368
energy savings, described in division (A)(2)(a) of this section,	369
by four and two-tenths of one per cent. If the result is zero or	370
less for the year for which the calculation is being made, the	371
utility shall not be required to achieve additional energy	372
savings for that year 2015, but may achieve additional energy	373
savings for that year. Thereafter, the annual savings	374
requirements shall be, for years <u>2016,</u> 2017, 2018, <u>and</u> 2019,—and	375
2020, one per cent of the baseline, and two per cent each year	376
thereafter, achieving cumulative energy savings in excess of	377

twenty-two per cent by the end of $\frac{20272026}{1000}$. For purposes of a	378
waste energy recovery or combined heat and power system, an	379
electric distribution utility shall not apply more than the	380
total annual percentage of the electric distribution utility's	381
industrial-customer load, relative to the electric distribution	382
utility's total load, to the annual energy savings requirement.	383
(b) Beginning in 2009, an electric distribution utility	384
shall implement peak demand reduction programs designed to	385
achieve a one per cent reduction in peak demand in 2009 and an	386
additional seventy-five hundredths of one per cent reduction	387
each year through 2014. In 2015—and 2016, an electric	388
distribution utility shall achieve a reduction in peak demand	389
equal to the result of subtracting the cumulative peak demand	390
reductions achieved since 2009 from the product of multiplying	391
the baseline for peak demand reduction, described in division	392
(A)(2)(a) of this section, by four and seventy-five hundredths	393
of one per cent. If the result is zero or less for the year for-	394
which the calculation is being made, the utility shall not be	395
required to achieve an additional reduction in peak demand for	396
that year 2015, but may achieve an additional reduction in peak	397
demand for that year. In $\frac{2017}{2016}$ and each year thereafter	398
through 20202019, the utility shall achieve an additional	399
seventy-five hundredths of one per cent reduction in peak	400
demand.	401
(2) For the purposes of divisions (A)(1)(a) and (b) of	402
this section:	403
(a) The baseline for energy savings under division (A)(1)	404
(a) of this section shall be the average of the total kilowatt	405
hours the electric distribution utility sold in the preceding	406
three calendar years. The baseline for a peak demand reduction	407

under division (A)(1)(b) of this section shall be the average	408
peak demand on the utility in the preceding three calendar	409
years, except that the commission may reduce either baseline to	410
adjust for new economic growth in the utility's certified	411
territory. Neither baseline shall include the load and usage of	412
any of the following customers:	413
(i) Beginning January 1, 2017, a customer for which a	414
reasonable arrangement has been approved under section 4905.31	415
of the Revised Code;	416
(ii) A customer that has opted out of the utility's	417
portfolio plan under section 4928.6611 of the Revised Code;	418
(iii) A customer that has opted out of the utility's	419
portfolio plan under Section 8 of S.B. 310 of the 130th general	420
assembly.	421
(b) The commission may amend the benchmarks set forth in	422
division (A)(1)(a) or (b) of this section if, after application	423
by the electric distribution utility, the commission determines	424
that the amendment is necessary because the utility cannot	425
reasonably achieve the benchmarks due to regulatory, economic,	426
or technological reasons beyond its reasonable control.	427
(c) Compliance with divisions (A)(1)(a) and (b) of this	428
section shall be measured by including the effects of all	429
demand-response programs for mercantile customers of the subject	430
electric distribution utility, all waste energy recovery systems	431
and all combined heat and power systems, and all such mercantile	432
customer-sited energy efficiency, including waste energy	433
recovery and combined heat and power, and peak demand reduction	434
programs, adjusted upward by the appropriate loss factors. Any	435
mechanism designed to recover the cost of energy efficiency,	436

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including waste energy recovery and combined heat and power, and	437
peak demand reduction programs under divisions (A)(1)(a) and (b)	438
of this section may exempt mercantile customers that commit	439
their demand-response or other customer-sited capabilities,	440
whether existing or new, for integration into the electric	441
distribution utility's demand-response, energy efficiency,	442
including waste energy recovery and combined heat and power, or	443
peak demand reduction programs, if the commission determines	444
that that exemption reasonably encourages such customers to	445
commit those capabilities to those programs. If a mercantile	446
customer makes such existing or new demand-response, energy	447
efficiency, including waste energy recovery and combined heat	448
and power, or peak demand reduction capability available to an	449
electric distribution utility pursuant to division (A)(2)(c) of	450
this section, the electric utility's baseline under division (A)	451
(2) (a) of this section shall be adjusted to exclude the effects	452
of all such demand-response, energy efficiency, including waste	453
energy recovery and combined heat and power, or peak demand	454
reduction programs that may have existed during the period used	455
to establish the baseline. The baseline also shall be normalized	456
for changes in numbers of customers, sales, weather, peak	457
demand, and other appropriate factors so that the compliance	458
measurement is not unduly influenced by factors outside the	459
control of the electric distribution utility.	460
(d)(i) Programs implemented by a utility may include the	461
following:	462
(I) Demand-response programs;	463
(II) Smart grid investment programs, provided that such	464
programs are demonstrated to be cost-beneficial;	465

(III) Customer-sited programs, including waste energy

466

recovery and combined heat and power systems;	467
(IV) Transmission and distribution infrastructure	468
improvements that reduce line losses;	469
(V) Energy efficiency savings and peak demand reduction	470
that are achieved, in whole or in part, as a result of funding	471
provided from the universal service fund established by section	472
4928.51 of the Revised Code to benefit low-income customers	473
through programs that include, but are not limited to, energy	474
audits, the installation of energy efficiency insulation,	475
appliances, and windows, and other weatherization measures.	476
(ii) No energy efficiency or peak demand reduction	477
achieved under divisions (A)(2)(d)(i)(IV) and (V) of this	478
section shall qualify for shared savings.	479
(iii) Division (A)(2)(c) of this section shall be applied	480
to include facilitating efforts by a mercantile customer or	481
group of those customers to offer customer-sited demand-	482
response, energy efficiency, including waste energy recovery and	483
combined heat and power, or peak demand reduction capabilities	484
to the electric distribution utility as part of a reasonable	485
arrangement submitted to the commission pursuant to section	486
4905.31 of the Revised Code.	487
(e) No programs or improvements described in division (A)	488
(2)(d) of this section shall conflict with any statewide	489
building code adopted by the board of building standards.	490
(B) In accordance with rules it shall adopt, the public	491
utilities commission shall produce and docket at the commission	492
an annual report containing the results of its verification of	493
the annual levels of energy efficiency and of peak demand	494
reductions achieved by each electric distribution utility	495

pursuant to division (A) of this section. A copy of the report 496 shall be provided to the consumers' counsel. 497

- (C) If the commission determines, after notice and 498 opportunity for hearing and based upon its report under division 499 (B) of this section, that an electric distribution utility has 500 failed to comply with an energy efficiency or peak demand 501 reduction requirement of division (A) of this section, the 502 commission shall assess a forfeiture on the utility as provided 503 under sections 4905.55 to 4905.60 and 4905.64 of the Revised 504 505 Code, either in the amount, per day per undercompliance or noncompliance, relative to the period of the report, equal to 506 that prescribed for noncompliances under section 4905.54 of the 507 Revised Code, or in an amount equal to the then existing market 508 value of one renewable energy credit per megawatt hour of 509 undercompliance or noncompliance. Revenue from any forfeiture 510 assessed under this division shall be deposited to the credit of 511 the advanced energy fund created under section 4928.61 of the 512 Revised Code. 513
- (D) The commission may establish rules regarding the 514 content of an application by an electric distribution utility 515 for commission approval of a revenue decoupling mechanism under 516 this division. Such an application shall not be considered an 517 application to increase rates and may be included as part of a 518 proposal to establish, continue, or expand energy efficiency or 519 conservation programs. The commission by order may approve an 520 application under this division if it determines both that the 521 revenue decoupling mechanism provides for the recovery of 522 revenue that otherwise may be forgone by the utility as a result 523 of or in connection with the implementation by the electric 524 distribution utility of any energy efficiency or energy 525 conservation programs and reasonably aligns the interests of the 526

utility and of its customers in favor of those programs.	527
(E) The commission additionally shall adopt rules that	528
require an electric distribution utility to provide a customer	529
upon request with two years' consumption data in an accessible	530
form.	531
Section 2. That existing sections 4906.20, 4906.201,	532
4928.64, and 4928.66 of the Revised Code are hereby repealed.	533
4920.04, and 4920.00 of the Nevisea code are hereby repeared.	333
Section 3. That Section 5 of S.B. 310 of the 130th General	534
Assembly be amended to read as follows:	535
Sec. 5. As used in Sections 6, 7, 8, 9, 10, and 11 of this	536
act:	537
"Customer " "energy intensity " and "mortfolio plan" have	538
"Customer," "energy intensity," and "portfolio plan" have	
the same meanings as in section 4928.6610 of the Revised Code.	539
"Electric distribution utility" has the same meaning as in	540
section 4928.01 of the Revised Code.	541
Section 4. That existing Section 5 of S.B. 310 of the	542
130th General Assembly and Sections 6 and 7 of S.B. 310 of the	543
130th General Assembly are hereby repealed.	544
Section 5. As used in Sections 6 and 7 of this act:	545
(A) "Portfolio plan" has the same meaning as in section	546
4928.6610 of the Revised Code.	547
(B) "Electric distribution utility" has the same meaning	548
as in section 4928.01 of the Revised Code.	549
Section 6. (A) If an electric distribution utility has a	550
portfolio plan that was continued or extended under division (A)	551
(1) or (D) of Section 6 of S.B. 310 of the 130th General	552
Assembly, the utility shall file a new plan with the Public	553

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Utilities Commission. The plan shall be filed as soon as	554
possible after the effective date of this act to allow	555
sufficient time for the Commission to review the plan in	556
accordance with division (A) of Section 7 of this act and for	557
the plan to become effective on January 1, 2017.	558
(B)(1) If an electric distribution utility amended its	559
portfolio plan under divisions (A)(2) and (B) of Section 6 of	560
S.B. 310 of the 130th General Assembly, the utility shall do one	561
of the following:	562
(a) Continue the amended plan without changes until	563
December 31, 2016;	564
(b) Not later than thirty days after the effective date of	565
this section, file an application with the Commission to amend	566
the amended plan to reinstate previous, or establish new, energy	567
efficiency and peak demand reduction programs pursuant to	568
divisions (B)(2) and (3) of this section.	569
(2) If the utility elects to amend the plan under division	570
(B)(1)(b) of this section, the utility shall meet a portion of	571
the benchmarks for 2016 under the amended plan as described in	572
division (B)(3) of this section before the expiration of the	573
plan on December 31, 2016.	574
(3) For portfolio plans amended under division (B)(1)(b)	575
of this section, the benchmarks for calendar year 2016	576
established in section 4928.66 of the Revised Code, as amended	577
by this act, shall be prorated using a formula based on the	578
number of days remaining in the calendar year on the effective	579
date of this act.	580
(C)(1) An electric distribution utility described in	581
division (B)(1) of this section shall file a new portfolio plan	582

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with the Public Utilities Commission as soon as possible after	583
the effective date of this act to allow sufficient time for the	584
Commission to review and approve, or modify and approve, the	585
plan in accordance with division (A) of Section 7 of this act	586
and for the plan to become effective on January 1, 2017.	587
(2) A plan filed under division (C)(1) of this section	588
shall provide for compliance with the benchmarks for calendar	589
year 2016 established in section 4928.66 of the Revised Code, as	590
amended by this act, to the extent those benchmarks have not	591
been met as provided under divisions (B)(2) and (3) of this	592
section. The plan shall require compliance with those benchmarks	593
by December 31, 2019.	594
(D) A portfolio plan continued or extended under division	595
(A)(1) or (D) of Section 6 of S.B. 310 of the 130th General	596
Assembly respectively, and a portfolio plan amended under	597
division (B)(1) of Section 6 of S.B. 310 of the 130th General	598
Assembly shall remain in effect until the Commission approves a	599
plan submitted under division (A), (B)(1)(b), or (C) of this	600
section to replace it.	601
(E) Beginning on the effective date of this act, the	602
provisions of section 4928.66 of the Revised Code as amended by	603
this act, shall apply to portfolio plans filed under divisions	604
(A) and (C) of this section and approved by the Commission.	605
Section 7. The Public Utilities Commission shall review	606
and approve, or modify and approve, portfolio plans filed by	607
electric distribution utilities pursuant to Section 6 of this	608
act.	609
(A) A portfolio plan filed under division (A) or (C) of	610

611

Section 6 of this act shall be reviewed and approved, or

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modified and approved, in accordance with existing Commission	612
rules for portfolio plans.	613
(B) A portfolio plan filed under division (B)(1)(b) of	614
Section 6 of this act shall be reviewed and approved, or	615
modified and approved, within thirty days after the filing date	616
of the plan. If the Commission fails to approve, or modify and	617
approve, the plan within thirty days of the filing of the plan,	618
the plan shall be deemed approved as filed on the thirty-first	619
day after filing.	620