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**136th General Assembly**

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**Sub. H. B. No. 303**

**Representatives Ray, Hoops**

**Cosponsors: Representatives Rader, Brennan, Fischer, Glassburn, Hall, D., Thomas, D., Abrams, Baker, Brent, Brownlee, Bryant Bailey, Deeter, Dovilla, King, Kishman, Lampton, Miller, J., Newman, Odioso, Piccolantonio, Richardson, Roemer, Russo, Salvo, Schmidt, Sigrist, Sweeney, Troy, White, A., Williams, Young**

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|------------------------------------------------|----|
| To amend section 4928.02 and to enact sections | 1  |
| 1.66, 4934.01, 4934.011, 4934.04, 4934.05,     | 2  |
| 4934.06, 4934.07, 4934.071, 4934.072, 4934.08, | 3  |
| 4934.10, 4934.11, 4934.12, 4934.13, 4934.14,   | 4  |
| 4934.17, 4934.19, 4934.20, 4934.21, 4934.22,   | 5  |
| 4934.25, 4934.26, 4934.27, 4934.28, 4934.35,   | 6  |
| 4934.36, 4934.37, and 4934.38 of the Revised   | 7  |
| Code to establish the community energy program | 8  |
| and pilot program and to define electricity    | 9  |
| measurement in alternating current.            | 10 |

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

|                                                                  |    |
|------------------------------------------------------------------|----|
| <b>Section 1.</b> That section 4928.02 be amended and sections   | 11 |
| 1.66, 4934.01, 4934.011, 4934.04, 4934.05, 4934.06, 4934.07,     | 12 |
| 4934.071, 4934.072, 4934.08, 4934.10, 4934.11, 4934.12, 4934.13, | 13 |
| 4934.14, 4934.17, 4934.19, 4934.20, 4934.21, 4934.22, 4934.25,   | 14 |
| 4934.26, 4934.27, 4934.28, 4934.35, 4934.36, 4934.37, and        | 15 |
| 4934.38 of the Revised Code be enacted to read as follows:       | 16 |

|                                                                  |    |
|------------------------------------------------------------------|----|
| <u><b>Sec. 1.66.</b> As used in the Revised Code, unless the</u> | 17 |
| <u>context requires otherwise, all measures of electricity</u>   | 18 |

described in watts, kilowatts, megawatts, or any derivative 19  
thereof means such electricity expressed in alternating current. 20

**Sec. 4928.02.** It is the policy of this state to do the 21  
following throughout this state: 22

(A) Ensure the availability to consumers of adequate, 23  
reliable, safe, efficient, nondiscriminatory, and reasonably 24  
priced retail electric service; 25

(B) Ensure the availability of unbundled and comparable 26  
retail electric service that provides consumers with the 27  
supplier, price, terms, conditions, and quality options they 28  
elect to meet their respective needs; 29

(C) Ensure diversity of electricity supplies and 30  
suppliers, by giving consumers effective choices over the 31  
selection of those supplies and suppliers and by encouraging the 32  
development of distributed and small generation facilities; 33

(D) Encourage innovation and market access for cost- 34  
effective supply- and demand-side retail electric service 35  
including, but not limited to, demand-side management, time- 36  
differentiated pricing, waste energy recovery systems, smart 37  
grid programs, and implementation of advanced metering 38  
infrastructure; 39

(E) Encourage cost-effective and efficient access to 40  
information regarding the operation of the transmission and 41  
distribution systems of electric utilities in order to promote 42  
both effective customer choice of retail electric service and 43  
the development of performance standards and targets for service 44  
quality for all consumers, including annual achievement reports 45  
written in plain language; 46

(F) Ensure that an electric utility's transmission and 47

distribution systems are available to a customer-generator or 48  
owner of distributed generation, so that the customer-generator 49  
or owner can market and deliver the electricity it produces; 50

(G) Recognize the continuing emergence of competitive 51  
electricity markets through the development and implementation 52  
of flexible regulatory treatment; 53

(H) Ensure effective competition in the provision of 54  
retail electric service by avoiding anticompetitive subsidies 55  
flowing from a noncompetitive retail electric service to a 56  
competitive retail electric service or to a product or service 57  
other than retail electric service, and vice versa, including by 58  
prohibiting the recovery of any generation-related costs through 59  
distribution or transmission rates; 60

(I) Ensure retail electric service consumers protection 61  
against unreasonable sales practices, market deficiencies, and 62  
market power; 63

(J) Provide coherent, transparent means of giving 64  
appropriate incentives to technologies that can adapt 65  
successfully to potential environmental mandates; 66

(K) Encourage implementation of distributed generation 67  
across customer classes through regular review and updating of 68  
administrative rules governing critical issues such as, but not 69  
limited to, interconnection standards, standby charges, and net 70  
metering; 71

(L) Protect at-risk populations, including, but not 72  
limited to, when considering the implementation of any new 73  
advanced energy or renewable energy resource; 74

(M) Encourage the education of small business owners in 75  
this state regarding the use of, and encourage the use of, 76

energy efficiency programs and alternative energy resources in 77  
their businesses; 78

(N) Facilitate the state's effectiveness in the global 79  
economy. 80

(O) Encourage cost-effective, timely, and efficient access 81  
to and sharing of customer usage data with customers and 82  
competitive suppliers to promote customer choice and grid 83  
modernization. 84

(P) Ensure that a customer's data is provided in a 85  
standard format and provided to third parties in as close to 86  
real time as is economically justifiable in order to spur 87  
economic investment and improve the energy options of individual 88  
customers. 89

(Q) Encourage the development of community energy 90  
facilities, as defined in section 4934.01 of the Revised Code, 91  
for the benefit of customers in this state and to facilitate 92  
participation by customers with the facilities. 93

(R) Establish a community energy pilot program, pursuant 94  
to sections 4934.04 to 4934.19 and 4934.25 to 4934.27 of the 95  
Revised Code. 96

In carrying out this policy, the commission shall consider 97  
rules as they apply to the costs of electric distribution 98  
infrastructure, including, but not limited to, line extensions, 99  
for the purpose of development in this state. 100

**Sec. 4934.01. As used in this chapter:** 101

(A) "Bill credit" means the monetary value approved under 102  
section 4934.08 of the Revised Code by the public utilities 103  
commission for each kilowatt hour of electricity generated by a 104

community energy facility. 105

(B) "Certified territory," "electric distribution 106  
utility," and "energy storage" have the same meanings as in 107  
section 4928.01 of the Revised Code. 108

(C) "Commercial or public sector rooftop" means either of 109  
the following that is located within an electric distribution 110  
utility's certified territory: 111

(1) The roof of a building located on commercial real 112  
estate as defined in section 1311.85 of the Revised Code; 113

(2) Any property owned by a public authority as defined in 114  
section 1311.25 of the Revised Code. 115

(D) "Community energy facility" means a single facility 116  
that does the following: 117

(1) Generates electricity by means of a solar photovoltaic 118  
device or uses as its fuel either solar, wind, biomass, landfill 119  
gas, or hydroelectric power, or uses a microturbine, natural 120  
gas-fired generator, energy storage system, or a fuel cell; 121

(2) Meets all of the following requirements: 122

(a) The facility is located in this state and is directly 123  
connected to an electric distribution utility's distribution 124  
system. 125

(b) The facility has at least three subscribers. 126

(c) The facility is located on one parcel of land and, 127  
except as provided in section 4934.011 of the Revised Code, 128  
there is no community energy facility on the same or a 129  
contiguous parcel that is developed, owned, or operated by the 130  
same entity, affiliated entity, or entity under common control. 131

(d) No subscriber holds more than a sixty per cent 132  
proportional interest in the output of the system, which shall 133  
be measured as the sum total of all meters on the subscriber's 134  
property. 135

(e) Not less than forty per cent of the facility capacity 136  
shall be subscribed by subscriptions of forty kilowatts or less. 137  
For purposes of this division, a multi-unit building served by a 138  
single meter shall be considered a single customer provided the 139  
average usage, based on the number of units, is forty kilowatts 140  
or less. 141

(f) The facility has a nameplate capacity of ten or less 142  
megawatts, or twenty or less megawatts if the facility is on a 143  
distressed site or one or more commercial or public sector 144  
rooftops, as measured at the point of interconnection. 145

(g) The facility is not under the control of an electric 146  
distribution utility, but may be under the control of an 147  
affiliate of the utility. 148

(3) (a) If the facility uses either an energy storage 149  
system or natural gas-fired generator, then the energy storage 150  
system or generator is not sized so as to exceed the size of any 151  
co-located facility using solar, wind, biomass, landfill gas, or 152  
hydroelectric power as its fuel. 153

(b) If the system uses both an energy storage system and 154  
natural gas-fired generator, then the combined nameplate 155  
capacity of the storage system and generator is not sized so as 156  
to exceed the size of any co-located facility using solar, wind, 157  
biomass, landfill gas, or hydroelectric power as its fuel. 158

(E) "Community energy organization" means a for-profit or 159  
nonprofit entity that operates one or more community energy 160

facilities. 161

(F) "Contiguous county" means a county that directly 162  
shares a border with another county, including, counties who 163  
only share a border with another county's endpoints, and 164  
counties that are adjacent geographically, with no intervening 165  
counties between them. 166

(G) "Distressed site" means a site made up of one or more 167  
parcels of land, located within an electric distribution 168  
utility's certified territory where the majority of the acreage 169  
is at least one or more of the following: 170

(1) A brownfield as defined in section 122.6511 of the 171  
Revised Code; 172

(2) A parcel that is within an area where an investor may 173  
receive a new markets tax credit under section 45D of the 174  
Internal Revenue Code; 175

(3) A solid waste facility licensed by the environmental 176  
protection agency under section 3734.02 of the Revised Code; 177

(4) A parcel of land that is described by division (b) (11) 178  
(B) (iii) of section 45 of the Internal Revenue Code; 179

(5) Land or structure owned by a metropolitan housing 180  
authority, as described in section 3735.27 of the Revised Code; 181

(6) Land owned by a county land reutilization corporation 182  
as defined in section 1724.01 of the Revised Code. 183

(H) "Large industrial customer" means any manufacturer 184  
that uses electricity primarily in a process involving a change 185  
of raw or unfinished materials into another form or product, and 186  
that takes service from an electric distribution utility at 187  
primary voltage, subtransmission voltage, or transmission 188

|                                                                        |     |
|------------------------------------------------------------------------|-----|
| <u>voltage.</u>                                                        | 189 |
| <u>(I) "Mercantile customer" has the same meaning as in</u>            | 190 |
| <u>section 4928.01 of the Revised Code.</u>                            | 191 |
| <u>(J) "Net crediting" means a program offered by an electric</u>      | 192 |
| <u>distribution utility under which the electric utility does the</u>  | 193 |
| <u>following:</u>                                                      | 194 |
| <u>(1) Issues a customer, who is a subscriber, a consolidated</u>      | 195 |
| <u>electric bill that includes on the customer's monthly bill the</u>  | 196 |
| <u>electric utility charges for electric service, the community</u>    | 197 |
| <u>energy subscription charge, and any bill credit;</u>                | 198 |
| <u>(2) Remits the customer's subscription fee to the owner or</u>      | 199 |
| <u>operator of the community energy organization to which the</u>      | 200 |
| <u>customer subscribes.</u>                                            | 201 |
| <u>(K) "Non-ministerial permit" means all necessary and</u>            | 202 |
| <u>discretionary governmental permits and approvals to construct a</u> | 203 |
| <u>community energy facility notwithstanding any pending legal</u>     | 204 |
| <u>challenge to one or more permits or approvals.</u>                  | 205 |
| <u>(L) "Political subdivision" means a county, township, or</u>        | 206 |
| <u>municipal corporation, or any other body corporate and politic</u>  | 207 |
| <u>responsible for governmental activities in a geographic area</u>    | 208 |
| <u>smaller than that of the state.</u>                                 | 209 |
| <u>(M) "Subscriber" means any retail electric customer who</u>         | 210 |
| <u>meets all of the following:</u>                                     | 211 |
| <u>(1) The customer has an electric meter on the customer's</u>        | 212 |
| <u>property;</u>                                                       | 213 |
| <u>(2) The customer is located within the certified territory</u>      | 214 |
| <u>of an electric distribution utility;</u>                            | 215 |

(3) The customer contracts for a subscription from a 216  
community energy facility located in the same certified 217  
territory as the customer; 218

(4) For customers with subscriptions of forty kilowatts or 219  
less to a community energy facility not located on a distressed 220  
site, the community energy facility must be located in either 221  
the same county as the customer or in a contiguous county to the 222  
customer's electric meter; 223

(5) The customer is not a large industrial customer or 224  
mercantile customer. 225

(N) "Subscription" means the right to obtain from a 226  
community energy organization an allocation of bill credits for 227  
electricity generated by a community energy facility. 228

(O) "Unsubscribed electricity" means any electricity 229  
generated by a community energy facility that is not 230  
attributable to a subscription. 231

**Sec. 4934.011.** A community energy facility may be placed 232  
on the same parcel or a contiguous parcel of land as a community 233  
energy facility that is developed, owned, or operated by the 234  
same entity, affiliated entity, or entity under common control 235  
if at least one of the following is met: 236

(A) The parcel or parcels of land are a distressed site or 237  
the facility is on one or more commercial or public sector 238  
rooftops, and the total capacity of all community energy 239  
facilities on the parcel or parcels does not exceed twenty 240  
megawatts. 241

(B) All of the following are satisfied: 242

(1) The community energy facility is to be located on a 243

parcel of land, or multiple parcels of land, that were created 244  
prior to the effective date of this section. 245

(2) The total capacity of all community energy facilities 246  
on the parcel or parcels of land does not exceed ten megawatts. 247

(3) Each community energy facility has its own distinct 248  
point of interconnection with the serving electric distribution 249  
utility, including separate and distinct metering and the 250  
ability to be directly connected to or disconnected from the 251  
utility. 252

(4) The generation components of each community energy 253  
facility are separate, including separate fencing, and not 254  
connected with neighboring facilities other than by the 255  
utility's distribution system. 256

(5) Each community energy facility shares only non- 257  
operational infrastructure, including access roads, utility 258  
poles, and other features necessary to provide utility and 259  
physical access to each facility. 260

**Sec. 4934.04.** The public utilities commission shall 261  
establish a community energy pilot program, as described in 262  
sections 4934.05 to 4934.17 and 4934.25 to 4934.27 of the 263  
Revised Code, consisting of one thousand five hundred megawatts 264  
to be implemented throughout this state. The amount of megawatts 265  
in the program may only be expanded by the general assembly. 266

**Sec. 4934.05.** (A) The public utilities commission shall 267  
annually certify two hundred fifty megawatts of community energy 268  
facilities, based on nameplate capacity, until one thousand 269  
megawatts from such facilities are certified. 270

(B) All megawatts certified pursuant to this section shall 271  
be allocated proportionally based on the size of each utility's 272

retail electric sales published by the energy information 273  
administration. 274

(C) Any uncertified megawatts for a year carry over to the 275  
subsequent year until all available megawatts are certified. 276

(D) All megawatts certified pursuant to this section shall 277  
be certified in the order that the certification applications 278  
were received. 279

(E) If applications for certification exceed the total 280  
capacity available for the year, then the applications shall be 281  
placed on a wait list as determined by the commission. Once 282  
certification of one thousand megawatts for community energy 283  
facilities has occurred, the wait list shall be eliminated. 284

(F) The commission shall ensure that certification under 285  
this section is separate from a certification process required 286  
under sections 4928.64 to 4928.645 of the Revised Code, or any 287  
related rules in the Ohio Administrative Code. 288

**Sec. 4934.06.** (A) The public utilities commission shall 289  
certify five hundred megawatts of community energy facilities, 290  
in addition to the megawatts certified under section 4934.05 of 291  
the Revised Code, which shall be reserved for community energy 292  
facilities constructed exclusively on distressed sites or one or 293  
more commercial or public sector rooftops. 294

(B) The commission shall ensure that certification under 295  
this section is separate from a certification process required 296  
under sections 4928.64 to 4928.645 of the Revised Code, or any 297  
related rules in the Administrative Code. 298

(C) After all megawatts are certified pursuant to this 299  
section, a community energy facility on a distressed site or a 300  
commercial or public sector rooftop may be certified from the 301

megawatts allocated under section 4934.05 of the Revised Code. 302

**Sec. 4934.07.** (A) An electric distribution utility with a 303  
community energy facility in its certified territory shall 304  
allocate bill credits for all electricity generated by the 305  
facility that is attributable to a subscription. 306

(B) (1) A community energy organization may account for 307  
unsubscribed electricity on a monthly basis and accumulate bill 308  
credits for the unsubscribed electricity for a period of up to 309  
twelve months after it was generated. 310

(2) Bill credits for unsubscribed electricity accumulated 311  
under division (B) (1) of this section shall be allocated to 312  
future subscribers at the direction of the community energy 313  
organization. 314

(C) At least once annually, a community energy 315  
organization shall furnish to the electric distribution utility 316  
in whose certified territory the community energy facility is 317  
located an allocation for distribution of bill credits to 318  
subscribers for unsubscribed electricity. 319

(D) A community energy organization shall forfeit, to the 320  
electric distribution utility in whose certified territory the 321  
community energy facility is located, any bill credits for 322  
unsubscribed electricity that are not allocated pursuant to 323  
division (B) of this section. 324

**Sec. 4934.071.** (A) As used in this section: 325

(1) "Regional governmental aggregator" means a regional 326  
council of governments established under Chapter 167. of the 327  
Revised Code with members in at least seventeen counties that is 328  
also a governmental aggregator under section 4928.20 of the 329  
Revised Code. 330

(2) "Renewable attributes" means any of the following that 331  
are attributable to a community energy facility or the 332  
electricity generated by a facility provided by the federal or 333  
state government or any other legislative authority of a 334  
political subdivision in the state: 335

(a) Any credits, certificates, benefits, or offsets and 336  
allowances computed on the basis of a community energy 337  
facility's displacement of fossil fuel-derived, or other 338  
conventional, electric generation; 339

(b) Any renewable energy credits or any other 340  
environmental certificates issued or administered in connection 341  
with electricity generated from a community energy facility; 342

(c) Any voluntary emission reduction credits obtained, or 343  
obtainable, in connection with the electric generation from a 344  
community energy facility. 345

(B) A regional governmental aggregator may purchase any 346  
amount of renewable attributes from a community energy facility. 347

**Sec. 4934.072.** (A) A large industrial customer or 348  
mercantile customer shall not participate in the community 349  
energy pilot program or be charged, directly or indirectly, for 350  
any costs related to the community energy pilot program, 351  
including any bill credits approved under section 4934.08 of the 352  
Revised Code. 353

(B) Residential and commercial customers who do not 354  
participate in the community energy pilot program shall not be 355  
charged, directly or indirectly, for any costs related to the 356  
community energy pilot program. 357

**Sec. 4934.08.** (A) As used in this section, "retail rate" 358  
means all costs of providing generation service, transmission 359

service, and distribution service that may be charged by an 360  
electric distribution utility. 361

(B) A subscriber to a community energy facility shall be 362  
eligible for a bill credit from the subscriber's electric 363  
distribution utility for the proportional output of a community 364  
energy facility attributable to the subscriber. 365

(C) The public utilities commission shall establish the 366  
bill credit for each subscriber that is equal to the utility's 367  
retail rate on a per-customer class basis, minus only the 368  
utility's base charge for distribution service approved under 369  
Chapter 4909. of the Revised Code and the utility's distribution 370  
riders or other distribution charges approved under Chapter 371  
4928. of the Revised Code. 372

(D) The utility shall publish new tariffs or update 373  
existing tariffs based on the bill credit set under this section 374  
not later than nine months after the effective date of this 375  
section. 376

**Sec. 4934.10.** Any bill credit exceeding a subscriber's 377  
monthly bill amount shall carry forward until fully allocated to 378  
the subscriber's bill or until the termination of the 379  
subscriber's community energy organization subscription. 380

**Sec. 4934.11.** No subscriber may obtain a subscription for 381  
electricity generated by a community energy facility 382  
representing more than one hundred per cent of the subscriber's 383  
average annual electricity usage. 384

**Sec. 4934.12.** A subscription shall be considered one of 385  
the following: 386

(A) A consumer transaction subject to Chapter 1345. of the 387  
Revised Code regarding the enrollment of residential subscribers 388

to obtain an allocation of bill credits; 389

(B) Goods subject to Chapter 1302. of the Revised Code 390  
regarding the enrollment of nonresidential subscribers to obtain 391  
an allocation of bill credits. 392

**Sec. 4934.13.** An electric distribution utility shall 393  
interconnect a community energy facility that is in that 394  
utility's certified territory to its distribution system within 395  
a reasonable time after the facility is constructed and shall 396  
ensure such interconnections are made efficiently, safely, and 397  
in compliance with any applicable federal and state regulations 398  
and standards. 399

**Sec. 4934.14.** An electric distribution utility shall not 400  
discriminate against community energy facilities or their 401  
subscribers, which includes adding extraordinary fees and 402  
charges not applied to similar facilities. 403

**Sec. 4934.17.** (A) Notwithstanding division (B) of this 404  
section, the public utilities commission has exclusive 405  
jurisdiction over the regulation of the interconnection of 406  
community energy facilities to the distribution systems of 407  
electric utilities. A board of county commissioners, a board of 408  
township trustees, or the legislative authority of a municipal 409  
corporation shall not adopt or enforce regulations governing the 410  
technical requirements, processes, or costs of interconnection 411  
for a community energy facility. 412

(B) Nothing in this chapter shall be construed to limit 413  
the authority of the following regarding the zoning of a small 414  
wind farm or small solar facility: 415

(1) A board of county commissioners or a board of zoning 416  
appeals under section 303.213 of the Revised Code; 417

(2) A board of township trustees or a board of zoning 418  
appeals under section 519.213 of the Revised Code; 419

(3) The legislative authority of a municipal corporation 420  
under section 713.081 of the Revised Code. 421

As used in this division, "small wind farm" and "small 422  
solar facility" have the same meanings as in sections 303.213, 423  
519.213, and 713.081 of the Revised Code. 424

**Sec. 4934.19.** (A) An electric distribution utility shall 425  
establish a net crediting program under which the electric 426  
distribution utility shall enter into a net crediting agreement 427  
with a community energy organization. The terms of an agreement 428  
shall specify that authorization by or on behalf of a subscriber 429  
is required before a subscriber may be billed by the electric 430  
distribution utility under the program. An agreement also shall 431  
specify the terms for payments made by the electric distribution 432  
utility to the community energy organization, which terms may 433  
include a net crediting fee of not more than one per cent of the 434  
subscription fee to be deducted from the electric distribution 435  
utility's payment to the community energy organization. 436

(B) Under a net crediting agreement, an electric 437  
distribution utility shall do the following: 438

(1) Remit, through an electronic funds transfer, the cash 439  
value of the subscriber's subscription fee, less any net 440  
crediting fee, to the community energy organization not later 441  
than thirty days after the billing period; 442

(2) Issue electric distribution utility customers who are 443  
subscribers an itemized monthly bill that includes, in addition 444  
to charges described in division (B)(4) of this section, the 445  
subscriber's bill credit for the billing period and the 446

subscriber's subscription fee; 447

(3) Process monthly bills for subscribers who participate 448  
in low-income customer assistance programs or budget billing 449  
programs in the same manner as bills for customers who are not 450  
participating in such programs; 451

(4) Bill for all basic electric services, including 452  
transmission, distribution, and generation charges, consistent 453  
with this section and commission regulations. 454

**Sec. 4934.20.** A nonresidential customer that subscribes to 455  
multiple community energy facilities may participate in the net 456  
crediting program only if each facility is included in a net 457  
crediting agreement under sections 4934.19 to 4934.22 of the 458  
Revised Code. 459

**Sec. 4934.21.** The minimum service requirements established 460  
under section 4928.10 of the Revised Code apply to sections 461  
4934.19 to 4934.22 of the Revised Code. 462

**Sec. 4934.22.** The public utilities commission shall adopt 463  
rules to implement net crediting programs authorized under 464  
sections 4934.19 to 4934.22 of the Revised Code. 465

**Sec. 4934.25.** (A) A community energy organization that 466  
constructs a community energy facility on a distressed site that 467  
is a brownfield, as defined in section 122.6511 of the Revised 468  
Code, shall be eligible to receive a grant awarded by the 469  
department of development from the brownfield remediation 470  
program under section 122.6511 of the Revised Code for costs 471  
associated with remediation. 472

(B) The department of development shall promulgate rules 473  
for awarding grants described in this section. 474

Sec. 4934.26. (A) The public utilities commission shall 475  
convene and facilitate an ongoing stakeholder working group, or 476  
designate an existing group to function as the working group, to 477  
assist commission staff with effectively and efficiently 478  
promulgating rules for the community energy pilot program. 479

(B) The working group shall consist of the following: 480

(1) Electric distribution utilities; 481

(2) Consumer advocates; 482

(3) Community energy industry representatives; 483

(4) Other interested parties. 484

Sec. 4934.27. Not later than twelve months after the 485  
effective date of this section, the public utilities commission, 486  
with assistance from the working group under section 4934.26 of 487  
the Revised Code shall promulgate rules to implement the 488  
community energy pilot program, which shall include rules for 489  
the creation and establishment of community energy facilities, 490  
the collection of a reasonable application fee from each 491  
community energy organization participating in the program, and 492  
the following: 493

(A) The certification of community energy facilities, 494  
which shall include rules for the commission to approve or deny 495  
each facility application within ninety days, unless good cause 496  
is shown for not meeting the deadline, as determined by the 497  
commission; 498

(B) Prohibit removing a subscriber from the subscriber's 499  
applicable customer class because of the subscriber's 500  
subscription to a community energy facility; 501

(C) Reasonably allow for the transfer and portability of 502

subscriptions, including allowing a subscriber to retain a 503  
subscription to a facility if the subscriber moves within the 504  
same electric distribution utility's service territory; 505

(D) Modify existing interconnection standards, fees, and 506  
processes as needed to facilitate the efficient and cost- 507  
effective interconnection of community energy facilities that 508  
allow an electric distribution utility to recover reasonable 509  
interconnection costs for each facility; 510

(E) Require each electric distribution utility to 511  
efficiently connect a community energy facility to its 512  
electrical distribution grid and not to discriminate against 513  
facilities or subscribers; 514

(F) Provide for consumer protection in accordance with 515  
existing laws and regulations, including any protections against 516  
disconnection of service; 517

(G) Establish robust consumer protections for subscribers, 518  
including at least the following: 519

(1) A standardized customer disclosure form for 520  
residential subscribers; 521

(2) Prohibiting upfront sign-on fees or credit checks; 522

(3) Preventing early termination charges to any subscriber 523  
who unsubscribes. 524

(H) Allow an electric distribution utility to recover 525  
reasonable costs associated with administering the community 526  
energy pilot program from community energy subscribers or 527  
community energy organizations; 528

(I) Ensure that the provisions of H.B. 303 of the 136th 529  
general assembly shall be construed to minimize direct or 530

indirect costs related to community energy facilities to an 531  
electric distribution utility's nonsubscriber ratepayers and 532  
shall maximize benefits to all rate classes, regardless of 533  
participation in a community energy program; 534

(J) Ensure facilities qualifying for the community energy 535  
pilot program have a signed interconnection agreement or a 536  
system impact study, as determined by the commission, can 537  
demonstrate site control, and have received all applicable non- 538  
ministerial permits; 539

(K) Require each community energy organization to send a 540  
notice in a standardized format containing information related 541  
to subscriber enrollment to the electric distribution utility 542  
that services the area where the organization's community energy 543  
facility is sited; 544

(L) Not later than nine months after the effective date of 545  
this section, require each electric distribution utility to 546  
publish new tariffs or update existing tariffs to implement the 547  
community energy pilot program; 548

(M) Require a community energy organization to be 549  
responsible for the decommissioning of a community energy 550  
facility pursuant to sections 4934.35 and 4934.36 of the Revised 551  
Code. 552

**Sec. 4934.28.** (A) As used in this section, "distributed 553  
energy resource" means a small-scale electricity-generating or 554  
storage system connected to the distribution grid, including 555  
technologies such as rooftop solar, batteries, and generators, 556  
that enhance grid resilience, provide energy security, and offer 557  
potential cost savings. 558

(B) A distributed energy resource that also meets the 559

criteria to be a community energy facility that has submitted a 560  
completed interconnection application to an electric 561  
distribution utility and has site control before the effective 562  
date of this section shall retain its original position in the 563  
interconnection queue and remain eligible to participate in the 564  
community energy pilot program if that facility meets the 565  
program eligibility requirements and any rules adopted by the 566  
public utilities commission. 567

(C) The commission shall ensure the following: 568

(1) That the projects described in division (B) of this 569  
section are not made to restart the interconnection process or 570  
forfeit any previously completed engineering reviews or fees. 571

(2) Projects commence any applicable study process within 572  
thirty days of receiving the study agreement or pursuant to 573  
timelines established by the commission. 574

(D) An owner or operator of a distributed energy resource 575  
that fails to engage in good faith progression of the 576  
interconnection process, including willful delay or obstruction, 577  
may result in loss of queue position or eligibility in the 578  
community energy pilot program. 579

**Sec. 4934.35.** (A) Not later than eighteen months after a 580  
community energy facility has ceased generating electricity, a 581  
community energy organization shall commence decommissioning of 582  
the facility. 583

(B) The decommissioning described in division (A) of this 584  
section shall include the following, to be mutually agreed to in 585  
writing by the property owner or owners and the organization: 586

(1) The removal, and potential reuse and recycling, of 587  
solar panels and other community energy equipment, and the 588

remediation of the site; 589

(2) The removal of all non-utility-owned equipment, 590  
graveled areas, and access roads; 591

(3) The replacement of any topsoil that was removed for 592  
the construction of the facility and reseeding of the cleared 593  
area. 594

(C) Not more than twenty per cent of the total combined 595  
mass of the community energy facility may enter a landfill. 596

**Sec. 4934.36.** (A) A community energy organization shall 597  
maintain sufficient financial assurances, in the form of a bond, 598  
through the life of a community energy facility's operation to 599  
provide for decommissioning as described in section 4934.35 of 600  
the Revised Code. 601

(B) The amount of the bond shall be calculated by a third- 602  
party professional engineer obtained by the organization. Every 603  
five years from the date of the initial assessment, the bond 604  
amount shall be recalculated in the same manner. 605

(C) The board of county commissioners where the project is 606  
located shall be the obligee of the bond. 607

**Sec. 4934.37.** The public utilities commission shall 608  
conduct reviews of the community energy pilot program forty- 609  
eight months after the rules for the program have been 610  
promulgated and present a report at a hearing before the 611  
appropriate committee in each chamber of the general assembly 612  
with the following information: 613

(A) The number and location of operating community energy 614  
facilities; 615

(B) The amount of nameplate capacity certified; 616

(C) The number of subscribers, how much energy was 617  
subscribed to by those subscribers, and the types of customer 618  
classes that subscribed; 619

(D) Avoided costs for generation, capacity, and 620  
transmission; 621

(E) Deferred transmission distribution investments; 622

(F) Avoided line loss; 623

(G) Increases in electric grid resiliency; 624

(H) Other benefits associated with locally produced 625  
electricity; 626

(I) An evaluation of the overall costs and benefits of the 627  
community energy pilot program, including an assessment of 628  
whether the program has successfully minimized direct or 629  
indirect costs related to community energy facilities to an 630  
electric distribution utility's nonsubscriber ratepayers and 631  
whether program costs and benefits have been allocated in 632  
proportion to customer participation within each rate class. 633

**Sec. 4934.38.** Notwithstanding any provision of section 634  
121.95 of the Revised Code to the contrary, a regulatory 635  
restriction contained in a rule adopted under sections 4934.22, 636  
4934.25, 4934.27, and 4934.37 of the Revised Code is not subject 637  
to sections 121.95 to 121.953 of the Revised Code. 638

**Section 2.** That existing section 4928.02 of the Revised 639  
Code is hereby repealed. 640