

I_136_1744-6

136th General Assembly
Regular Session
2025-2026

Sub. H. B. No. 427

To amend section 4909.192 and to enact sections 1
4928.106, 4928.107, and 4928.108 of the Revised 2
Code regarding voluntary demand response 3
programs for residential and small commercial 4
customers and electric service billing to 5
customers of competitive retail electric service 6
providers. 7

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

Section 1. That section 4909.192 be amended and sections 8
4928.106, 4928.107, and 4928.108 of the Revised Code be enacted 9
to read as follows: 10

Sec. 4909.192. When considering an application to increase 11
rates under section 4909.18 of the Revised Code, the public 12
utilities commission may approve the following: 13

(A) Nondiscriminatory programs available for all energy- 14
intensive customers to implement economic development, job 15
growth, job retention, or interruptible rates that enhance 16
distribution and transmission grid reliability and promote 17
economic development. 18



lvd9dgpnypkuhk3ccq8mms

(B) Nondiscriminatory programs available for all mercantile customers, as defined in section 4928.01 of the Revised Code, that align retail rate recovery with how transmission costs are incurred by or charged to the electric distribution utility, as defined in section 4928.01 of the Revised Code, or programs that allow customers to be billed directly for transmission service by a competitive retail electric service provider.

(C) Nondiscriminatory programs available for residential customers and small commercial customers, as defined in section 4928.101 of the Revised Code, that reduce demand at peak times for purposes of grid reliability or to help lower customer rates, including demand response programs under section 4928.106 of the Revised Code. Any programs to reduce demand proposed in an application to increase rates shall include terms permitting competitive retail electric service providers, certified under section 4928.08 of the Revised Code, to offer their customers access to these programs.

Sec. 4928.106. (A) As used in this section, "small commercial customer" has the same meaning as in section 4928.101 of the Revised Code.

(B) An electric distribution utility may create a voluntary demand response program to lower demand at peak times for residential customers and small commercial customers as described by this section.

(C) (1) Each demand response program under this section shall be evaluated by the public utilities commission to determine if the program is cost-effective for customers. To determine if the program is cost-effective for customers, the commission shall consider all of the following:

<u>(a) The need for demand reduction based on capacity and energy prices;</u>	49 50
<u>(b) Impacts to the reliability of the grid;</u>	51
<u>(c) Any other factors that the commission deems appropriate.</u>	52 53
<u>(2) No electric distribution utility shall offer a demand response program under this section unless the program is approved by the commission.</u>	54 55 56
<u>(D) An electric distribution utility may enter into an agreement with a residential customer or small commercial customer for the customer to opt in to the utility's demand response program.</u>	57 58 59 60
<u>(E) (1) For customers that opt in to the program, the utility may take actions to reduce the customer's load at peak times, such as increasing or decreasing the temperature on the customer's air conditioner, reducing the temperature on the customer's hot water heater, or cycling other appliances.</u>	61 62 63 64 65
<u>(2) No utility shall take actions pursuant to its demand response program to reduce a customer's load at peak times if the customer did not opt in to the program.</u>	66 67 68
<u>(F) A customer that opts in to the program may override the utility's action to reduce the customer's load for any individual event.</u>	69 70 71
<u>(G) A utility may set rules that restrict a customer's future participation in the utility's demand response program if the customer overrides the utility's action pursuant to division (F) of this section.</u>	72 73 74 75
<u>(H) A customer that agrees to opt in to the utility's</u>	76

demand response program shall be paid by the utility a fee on an 77
annual or per event basis approved by the commission. 78

(I) A utility or competitive retail electric service 79
provider may offer the demand response reductions from the 80
utility's demand response program into the capacity market of 81
the regional transmission organization approved by the federal 82
energy regulatory commission and having the responsibility for 83
maintaining reliability in all or part of this state. 84

(J) A utility that offers demand response reductions into 85
the capacity market shall use revenue earned from the offering 86
to offset costs of the utility's demand response program. 87

(K) A utility with a voluntary demand response program 88
under this section shall be entitled to retain not more than six 89
per cent of revenues earned from offering demand response 90
reductions into the capacity market. 91

(L) Not more than three years after the effective date of 92
this section, the commission shall evaluate the success of the 93
utility demand response programs and make recommendations to the 94
legislature regarding offering demand response into the capacity 95
market under division (I) of this section and any other 96
modifications to the programs that will enhance customer 97
benefits. 98

Sec. 4928.107. (A) If an electric distribution utility 99
customer is also a customer of a competitive retail electric 100
service provider, the utility shall provide the customer's data 101
in a standard format and in as close to real time as possible, 102
and within not more than fifteen minutes, to the competitive 103
retail electric service provider. 104

(B) Not later than one hundred eighty days after the 105

effective date of this section, the public utilities commission 106
shall determine, with input from the providers and the 107
utilities, a safe format to share the data required by this 108
section. 109

Sec. 4928.108. (A) A competitive retail electric provider 110
that is certified under section 4928.08 of the Revised Code 111
shall choose one of the following mechanisms for the provider's 112
customers to receive bills for electricity service: 113

(1) Separate bills issued to the customers, with one bill 114
issued by the provider for all of the provider's service charges 115
and a separate bill issued by the electric distribution utility 116
for all of the utility's service charges; 117

(2) One consolidated bill issued by the electric 118
distribution utility that includes both the provider's and 119
utility's charges for electric service. 120

(B) Each electric distribution utility shall, in the 121
utility's next rate case application filed under Chapter 4909. 122
of the Revised Code, include a request for the public utilities 123
commission to approve a bill format for consolidated bills 124
issued under division (A) (2) of this section in substantially 125
the following format: 126

(1) The generation charges total amount and the total 127
amount of the charges from use of the electrical grid, including 128
transmission and distribution charges, listed separately; 129

(2) The provider's name, logo, or both, as applicable, 130
listed clearly underneath the generation charges total amount; 131

(3) The utility's name, logo, or both, as applicable, 132
listed clearly underneath the total amount of the charges from 133
the use of the electrical grid; 134

(4) The provider's and utility's names, logos, or both, as 135
applicable, provided in the same font size on the bill; 136

(5) On the back of the bill, information that clearly 137
explains to the customer the difference between generation 138
charges and the electrical grid charges. 139

(C) (1) The commission shall adopt rules to implement this 140
section. 141

(2) Notwithstanding any provision of section 121.95 of the 142
Revised Code to the contrary, a regulatory restriction contained 143
in a rule adopted under this section is not subject to sections 144
121.95 to 121.953 of the Revised Code. 145

Section 2. That existing section 4909.192 of the Revised 146
Code is hereby repealed. 147