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136th General Assembly
Regular Session
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Sub. H. B. No. 706

To enact sections 4934.01, 4934.02, 4934.03, 1
4934.04, 4934.05, 4934.06, 4934.07, 4934.08, 2
4934.09, 4934.15, 4934.16, and 4934.19 of the 3
Revised Code to impose certain minimum 4
requirements on data center customers in the 5
state. 6

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

Section 1. That sections 4934.01, 4934.02, 4934.03, 7
4934.04, 4934.05, 4934.06, 4934.07, 4934.08, 4934.09, 4934.15, 8
4934.16, and 4934.19 of the Revised Code be enacted to read as 9
follows: 10

Sec. 4934.01. As used in sections 4934.01 to 4934.19 of 11
the Revised Code: 12

(A) "Electric distribution utility" has the same meaning 13
as in section 4928.01 of the Revised Code. 14

(B) "Data center" means a centralized facility that: 15

(1) Is used primarily or exclusively for electronic 16
information services such as the management, storage, 17
processing, and dissemination of electronic data and information 18



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through the use of computer systems, servers, networking 19
equipment, and related components, or virtual currency mining; 20

(2) Has an aggregate monthly maximum demand of greater 21
than twenty-five thousand kilowatts. 22

(C) "Data center customer" means a customer, or group of 23
affiliated customers, of an electric distribution utility that 24
own or operate a data center. 25

(D) "Transmission affiliate" means an affiliate of an 26
electric distribution utility that owns transmission facilities 27
that serve load in Ohio and are under the jurisdiction of the 28
federal energy regulatory commission. 29

(E) (1) "Virtual currency" means any type of digital unit 30
that is used as a medium of exchange or a form of digitally 31
stored value or that is incorporated into payment system 32
technology and that may or may not have a centralized repository 33
or administrator, including digital units of exchange that are 34
created or obtained by computing or manufacturing effort. 35

(2) "Virtual currency" does not include digital units of 36
exchange that are used as follows: 37

(a) Solely within online gaming platforms with no market 38
or application outside of such gaming platforms; 39

(b) Exclusively as part of a consumer affinity or rewards 40
program, and can be applied solely as payment for purchases with 41
the issuer or other designated merchants, but cannot be 42
converted into or redeemed for fiat currency. 43

(F) "Virtual currency mining" means the process by which 44
individuals or other entities use data, computer code, 45
calculations, and any other computing process to validate 46

transactions involving virtual currency and earn virtual 47
currency as compensation. 48

Sec. 4934.02. The public utilities commission shall adopt 49
rules to implement a data center tariff applicable to data 50
center customers, except as provided in section 4934.09 of the 51
Revised Code, which shall require the following: 52

(A) (1) Minimum billing demand and contract term 53
requirements sufficient to support data center customer 54
infrastructure planning and cost recovery from the data center 55
customer. 56

(2) For a data center customer that has reached full 57
commercial capacity, the minimum billing demand shall be not 58
less than eighty-five per cent of contracted capacity, and the 59
minimum contract terms shall be not less than twelve years, 60
inclusive of any approved load ramp periods up to four years. 61

(B) The provision of financial assurance adequate to do 62
the following: 63

(1) Protect other customer classes from costs arising from 64
the data center customer prematurely exiting, downsizing, 65
defaulting, or otherwise disconnecting, or reducing, electric 66
service contrary to the minimum billing demand and contract 67
terms required under division (A) of this section; 68

(2) Cover the unrecovered net book value of all dedicated 69
facilities, minimum billing exposure, and any applicable exit 70
fees. 71

(C) Exit fees or liquidated damages; 72

(D) Letters of credit or cash collateral. 73

Sec. 4934.03. (A) Not later than December 31, 2028, each 74

electric distribution utility in the state shall file an 75
application with the public utilities commission for a data 76
center tariff under section 4934.02 of the Revised Code. 77

(B) Not later than one hundred eighty days after receiving 78
an application pursuant to division (A) of this section, the 79
public utilities commission shall make a determination to 80
approve, approve with modifications, or deny the application. 81

Sec. 4934.04. (A) An electric distribution utility shall 82
not recover any distribution, transmission, or generation costs, 83
including financial or operational risks associated with, or 84
caused by, a data center customer from other customer classes. 85

(B) For any cost recovery mechanism requested by the 86
electric distribution utility under a data center tariff 87
established under section 4934.02 of the Revised Code, the 88
commission shall determine that the approval will not increase 89
rates for other existing customers. The electric distribution 90
utility has the burden of proof in any such proceedings for 91
approval of the agreements and related cost recovery mechanism. 92

Sec. 4934.05. The financial assurance required under 93
section 4934.02 of the Revised Code shall be reviewed and 94
adjusted at least biennially by the electric distribution 95
utility to reflect remaining unrecovered investment and risk of 96
exit and downsizing or cessation of operations. 97

Sec. 4934.06. The requirements stated in section 4934.02 98
of the Revised Code shall be construed as minimum requirements. 99
Nothing in those sections shall preclude the public utilities 100
commission from imposing more stringent requirements with 101
respect to data center customers. 102

Sec. 4934.07. Any exit fees, collateral forfeitures, or 103

unused-capacity payments collected from a data center customer 104
shall be credited to retail customers in the next available rate 105
period or deferred as regulatory liabilities for the benefit of 106
customers. An electric distribution utility shall not retain 107
such revenues as utility earnings. 108

Sec. 4934.08. (A) Prior to commencing construction of 109
facilities necessary to serve a data center customer, an 110
electric distribution utility shall require the customer to 111
enter into a binding agreement, which shall be approved by the 112
public utilities commission, to reimburse the utility for costs 113
incurred to serve that customer if any of the following occur: 114

(1) The proposed data center project is canceled. 115

(2) The project is delayed past the projected energization 116
date by an amount of time determined pursuant to division (B) of 117
this section. 118

(3) The project otherwise fails to proceed to 119
energization. 120

(B)(1) The public utilities commission, when approving an 121
agreement described in division (A) of this section, shall 122
determine the amount of time a data center project may be 123
delayed past the project's projected energization date as 124
described in division (A)(2) of this section. The commission 125
shall determine an amount of time that balances the protection 126
of other customer classes against legitimate development 127
timelines for data center projects. The data center customer and 128
electric distribution utility shall provide any information 129
requested by the commission to make this determination. 130

(2) Notwithstanding division (B)(1) of this section, the 131
minimum amount of time for the term described in division (A)(2) 132

of this section shall be not less than twenty-four months. 133

Sec. 4934.09. (A) Except as provided in division (B) of 134
this section, sections 4934.02 to 4934.08 of the Revised Code do 135
not apply to data center customers that had contracted with an 136
electric distribution utility for the provision of electric 137
utility service and any other term prior to the effective date 138
of this section. 139

(B) Sections 4934.02 to 4934.08 of the Revised Code apply 140
to a data center customer described in division (A) of this 141
section if that customer makes a material capacity increase, as 142
determined by the public utilities commission. 143

Sec. 4934.15. Not later than six months after the 144
effective date of this section, the public utilities commission 145
shall establish uniform statewide standards governing the 146
following: 147

(A) Load study deposits, including nonrefundable 148
components; 149

(B) Queue-position forfeitures for failure to meet 150
milestones; 151

(C) First-come-first-served or tranche-based processing; 152

(D) Aggregation of affiliated projects for queue priority. 153

Sec. 4934.16. Notwithstanding any provision of section 154
121.95 of the Revised Code to the contrary, a regulatory 155
restriction contained in a rule adopted under section 4934.15 of 156
the Revised Code is not subject to sections 121.95 to 121.953 of 157
the Revised Code. 158

Sec. 4934.19. (A) Except as provided in division (B) of 159
this section, nothing in this chapter is intended to restrict or 160

modify the public utilities commission's authority under section 161
4905.31 of the Revised Code. 162

(B) The commission shall not approve any reasonable 163
arrangement under section 4905.31 of the Revised Code involving 164
a data center customer that conflicts with section 4934.04 of 165
the Revised Code or that results in the subsidization of one 166
customer class by another. In the event of any conflict between 167
this chapter and section 4905.31 of the Revised Code, with 168
respect to a data center customer, the requirements of section 169
4934.04 of the Revised Code control. 170