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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 706
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 706's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. Rader and D. Thomas

Local Impact Statement Procedure Required: No

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Highlights

- The bill establishes minimum requirements for data center customers and prohibits electric distribution utilities (EDUs) from charging other customer classes for data center-related costs unless approved by the Public Utilities Commission of Ohio (PUCO). PUCO may incur administrative costs, which are expected to be minimal.

Detailed Analysis

The bill prohibits electric distribution utilities (EDUs) from recovering data center-related costs onto other customer classes unless the Public Utilities Commission of Ohio (PUCO) determines such recovery is just and reasonable. It requires data centers to enter PUCO-approved agreements that include minimum demand or usage commitments, long-term service agreements, exit fees or liquidated damages, and financial assurances to ensure other customers are protected if the data center reduces operations or exits. EDUs are barred from serving or investing in infrastructure for data centers that do not meet these requirements, and PUCO may impose stricter conditions as needed. Additionally, all exit fees, collateral forfeitures, and unused capacity payments must be credited back to retail customers, and PUCO must adopt uniform standards for interconnection queue processes.

The bill is expected to impose minimal administrative costs on PUCO, mainly related to reviewing agreements and monitoring financial assurances, which are anticipated to be handled within existing resources. Since the bill prevents EDUs from recovering data center-related costs onto other customer classes, it is expected to have no direct fiscal impact on state or local governments with respect to utility costs.

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