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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 736  
136<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsor:** Rep. Lorenz

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### SUMMARY

- Creates the Ohio Fusion Energy Working Group for the purpose of identifying regulatory gaps, evaluating fusion workforce and supply chain needs, and recommending fusion economic development strategies.
- Requires the Department of Development (DEV) to provide administrative support for the working group.
- Requires the working group to produce an annual report of its findings, with the initial report required not later than one year after the initial meeting of the working group.
- Terminates the working group after issuing (not later than six years after the initial report) a final list of recommended legislative changes needed to support further development and maintenance of fusion energy and related supply chains.
- Expands the definition of “mercantile customer self-power systems” to include fusion energy systems.
- Requires DEV, to issue a report to the General Assembly detailing state programs that may benefit fusion facilities or manufacturers.
- Names the bill the “Ohio Fusion Energy Advancement Act.”

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## DETAILED ANALYSIS

### Ohio Fusion Energy Working Group

The bill requires the Department of Development (DEV) Director, not later than one year after the bill's effective date, to convene the Ohio Fusion Energy Working Group.<sup>1</sup> The working group is required to do all of the following:

- Identify regulatory gaps related to the licensing or certification of fusion energy and supply chain facilities in this state;
- Evaluate fusion workforce and supply chain needs; and
- Recommend fusion economic development strategies.<sup>2</sup>

The working group is to be composed of representatives from all of the following:

- DEV;
- The Environmental Protection Agency;
- The Public Utilities Commission;
- The Department of Health;
- The Bureau of Environmental Health and Radiation Protection;
- The Ohio National Guard;
- The Ohio State University;
- One university in Ohio that has received a research activity designation from the Carnegie Commission on Higher Education;
- Two representatives from the fusion energy industry; and
- One representative from the electric utility sector.

All members of the working group are to be appointed by the Governor. Seven members of the working group constitute a quorum for the purpose of conducting business.<sup>3</sup>

The working group is required to select an individual to serve as its chairperson. The chair person is to be selected via a majority vote of a quorum of its members. The working group may replace the chairperson in the same manner. The working group is required to hold its first meeting at the call of the DEV Director. Subsequent meetings are at the call of the chairperson. DEV is required to provide administrative support for the working group.

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<sup>1</sup> R.C. 122.1714(A).

<sup>2</sup> R.C. 122.1714(B).

<sup>3</sup> R.C. 122.1714(C) and (D).

Not later than one year after the working group's initial meeting, and, annually thereafter, the working group is required to submit a report of its findings in writing to the Speaker and Minority Leader of the House of Representatives and the President and Minority Leader of the Senate.

Five years after the submission of the working group's initial report, the working group is required to reconvene for the purpose of identifying regulatory changes necessary to support the further development and maintenance of fusion energy and related supply chains in Ohio. Not later than one year after the reconvening of the working group, it must compile a list of recommended legislative changes and submit this list in writing to the General Assembly leaders described above. Upon submission of this list, the working group is abolished.<sup>4</sup>

### **Mercantile customer self-power systems**

The bill expands the definition of "mercantile customer self-power systems" to include fusion energy systems. Fusion energy systems are defined as being any device, facility, or apparatus that produces energy through the controlled fusion of atomic nuclei, including through magnetic, confinement, inertial confinement, magneto-inertial, electrostatic confinement, or beam-target systems. Under current law, mercantile customer self-power systems mean one or more electric generation or storage facilities, or both types, that:

- Produce electricity primarily for the consumption of a mercantile customer member or group of members;
- Connects directly to the mercantile customer member's side of the meter;
- Delivers electricity to the mercantile customer's side of the electric meter without the use of an electric distribution utility's or electric cooperative's distribution system or transmission system;
- Is located on property owned or controlled by the mercantile customer member (or the entity that owns or operates the mercantile customer self-power system) or on property adjacent to the mercantile customer member if the facilities connect directly with the customer.<sup>5</sup>

A "mercantile customer" is a commercial or industrial customer if the electricity consumed is for nonresidential use and the customer consumes more than 700,000 kilowatt hours per year or is part of a national account involving multiple facilities in one or more states (such a customer is a mercantile customer member if connected to a mercantile customer self-power system).<sup>6</sup>

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<sup>4</sup> R.C. 122.1714(E) through (I).

<sup>5</sup> R.C. 4928.73(A).

<sup>6</sup> R.C. 4928.73(A); R.C. 4928.01(A)(19), not in the bill.

## Clean energy generation programs

The bill requires DEV, within six months of the bill’s 90-day effective date, to review all state programs supporting clean energy generation to identify incentive opportunities that may benefit fusion facilities or manufacturers and issue a report detailing DEV’s findings to the General Assembly in accordance with provisions of Ohio law governing the availability of agency reports. Such incentive opportunities may include sales tax exemptions on fusion research and development equipment, tangible personal property tax reductions or exemptions on fusion equipment, or workforce development grants.<sup>7</sup>

### Bill title

The bill is named the “Ohio Fusion Energy Advancement Act.”<sup>8</sup>

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## HISTORY

Action	Date
Introduced	03-04-26

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<sup>7</sup> Section 3; R.C. 101.68, not in the bill.

<sup>8</sup> Section 4.